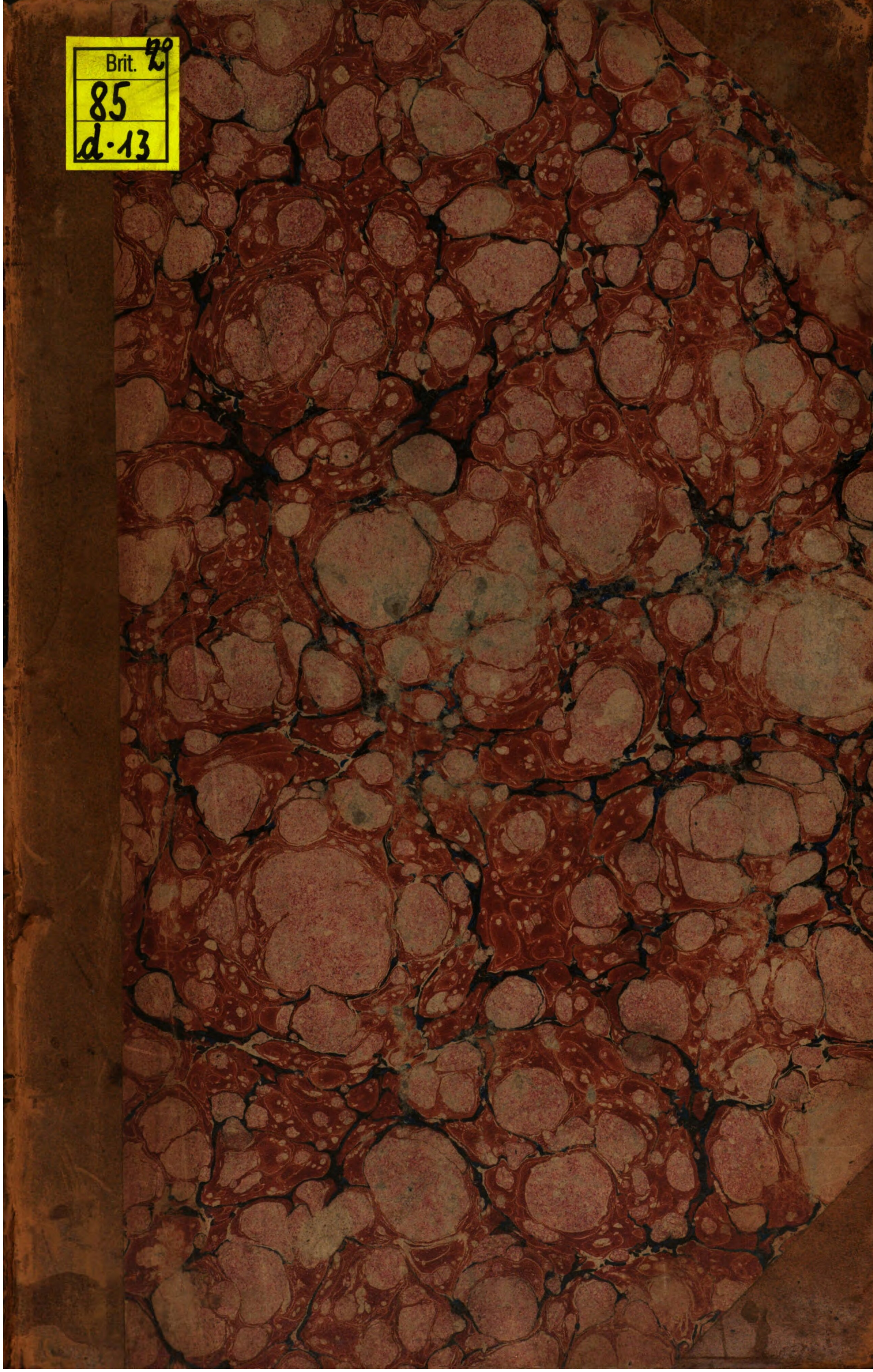


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John Thornhill.



John Marshall

THE MARQUIS OF HASTINGS

SUMMARY

OPERATIONS IN INDIA

THEIR RESULTS

THEir RESULTS

RESOLUTIONS OF THE COURT OF PROCEEDINGS IN INDIA

of the 21st June 1801

1

THE MARQUIS OF HASTINGS'

S U M M A R Y

OF THE

OPERATIONS IN INDIA,

WITH

THEIR RESULTS;

FROM THE

30th April 1814 to the 31st January 1823.

PRINTED IN CONFORMITY TO THE
RESOLUTION OF THE COURT OF PROPRIETORS OF EAST-INDIA STOCK,
of the 23d June 1824.

By J. L. COX, GREAT QUEEN-STREET.

THE MARQUIS OF RASTINGS

21 MAY

OPERATIONS IN INDIA

THE RESULTS

30th April 1914 to the 31st January 1915

PRINTED BY THE

PRINTING OFFICE OF THE GOVERNMENT OF INDIA

1915

MARQUIS OF HASTINGS SUMMARY
ADMINISTRATION

AT A

GENERAL COURT

OF THE
UNITED COMPANY OF MERCHANTS OF ENGLAND TRADING TO
THE EAST-INDIES,

Held at their House in Leadenhall Street, on Wednesday,
the 23d June 1824,

It was moved, and on the Question,

Resolved, That the letter from the Marquis of Hastings to the
Chairman, dated at Gibraltar the 5th of May 1823, with its Enclo-
sures, and the Court's reply, dated the 19th of June following, be
printed for the use of the Proprietors.

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*East India-House,
November 1824.*

J. DART,
Secretary.

MARQUIS OF HASTINGS' SUMMARY

OF HIS OWN

ADMINISTRATION.

To the Honourable the Chairman, &c. &c. &c.

Honourable Sir :

Lieutenant-Colonel Macra, lately my Military Secretary, will have the honour of delivering to you a packet addressed by me to the Honourable Court. It is a summary of my administration in India, upon which I believe comprehension has not been distinct. My wish must necessarily be, that the substance of that statement should be widely known, conceiving it to be but justice to myself that it should be so; on which account I have directed it as mentioned above. That I might not, however, do any thing incorrect, I have instructed Lieutenant-Colonel Macra to put the Summary into your hands; and on perusal of it you will please to determine whether to lay it before the Court, or to confine it to the Secret Committee.

With great respect, I have the honour, Sir, to remain,

Your very obedient and humble servant,

(Signed) HASTINGS.

Gibraltar,

5th May 1823.

Letter from
the Marquis of
Hastings,
5 May 1823.

To the Honourable the Court of Directors, &c. &c. &c.

Honourable Sirs :

Notwithstanding your having received information, in regular course, respecting all the transactions which took place during my administration in India, the particulars would unavoidably reach you in so desultory a manner, as that the exigencies or views by which I was guided, in many cases, must be indistinct. The impression has thence been strong on my mind, that it was incumbent on me, in due attention to you, to furnish such a statement as would enable you to form a clear judgment of my procedures, connected with the impulses which influenced them. I beg leave to submit to you an exposition of that nature; and I have the honour to remain, with the greatest respect,

Honourable Sirs,

Your most obedient and obliged servant,

(Signed) HASTINGS.

Gibraltar,

6th May 1823.

Letter from
the Marquis of
Hastings,
6 May 1823.

OPERATIONS IN INDIA,

WITH

THEIR RESULTS,

FROM

The 30th April 1814 to the 1st January 1823.

Lord Hastings' Summary.

The solicitude which any one of just feelings must experience, to prove his having adequately fulfilled an important trust, ought, in my case, to be increased by the peculiar nature of the office which I have held. The extent and multiplicity of its functions are little comprehended at home; and still less are those circumstances understood, which called upon me for exertions beyond the ordinary demands of my situation. If those unusual efforts were not necessary, they either risked improvidently the welfare of the Honourable Company, or they were illicit aggressions on weak unoffending Native Powers. It thence behoves me to justify the principle and the prosecution of the measures alluded to. The exposition will be short, because it aims not at submitting any detail of operations. A statement of the ground on which each material determination rested, will enable every one to decide on the equity, as well as prudence, of the course adopted; while the general result may answer, whether the main object of the Honourable Company's financial prosperity was duly kept in sight during these complicated transactions. The facts asserted are so supported, as not to admit of controversy. Proofs of them are, for the most part, in the hands of the Honourable Court. Where that is not the case, the official vouchers will be found in the Appendix; and, it is hoped, it will appear that, whatsoever were the advantages attained for the Honourable Company, the interests of our country at large have been similarly promoted, the comforts of the Indian population being at the same time signally consulted.

I entered upon the management of affairs at Calcutta in October 1813. My first view of them was by no means pleasing. The treasuries of the three Presidencies were in so unfurnished a condition, that the insufficiency of funds in them to meet any unusual charges (and many such menaced us) excited considerable uneasiness. At that period, the low credit of the bonds which had at different times been issued as the securities for monies borrowed, made eventual recourse to a loan seriously discouraging in contemplation. As twelve per cent. discount on the above securities was the regularly computable rate in the market, when no immediate exigency pressed upon us, the grievous terms to which we must have subscribed for a new supply of that nature in an hour of alarm, could not be disguised to any foresight. Under this embarrassment, an attempt had been made by the preceding Government to provide, in a partial degree, for the anticipated difficulties, by curtailing the annual disbursement, so as to leave a surplus of receipt. What are called the Charges Military, the provision for all warlike objects offensive or defensive, had appeared the only head of expenditure in which a saving of efficacious magnitude could be made. The paring-knife was thence applied with rather an undis-

undiscriminating hand to many articles of the military establishment, which had till that time been deemed indispensable towards a tranquil tenure of the country. As it was matter of simple arithmetical measurement, the contemplated surplus was produced; but it was attended with circumstances which had not been taken into the reckoning. Let it not be supposed that I am insinuating a censure on an expedient to which Government was pressingly urged by financial difficulties. The limit within which a reduction of disbursement in the military branch would not entail mischief, was perhaps not to be computed without trial. As it was, experience showed that hazard had been incurred in a degree quite unapprehended. The saving had principally arisen from a great diminution of our armed force. The operation of such a measure was not confined to the question of sufficiency for eventual defence. Nothing would mislead the judgment more than a parallel supposed between the employment of the Indian army and that of our military at home. The native troops are, in fact, the police of India, the Burkundauzes, or armed attendants of the Magistrates, being totally inadequate, if not supported by the regulars. Hence, the complication of duties resting upon the soldiery is so great, as that it is rare for even half of a battalion to be found at its headquarters. Occupation of dependent stations, detachments with treasure which is in constant transit, escort of stores periodically despatched from Calcutta to the several provinces, charge of convicts working on the roads, custody of prisoners transmitted from different parts for trial before the Courts of Circuit, and guards over jails, form a mass of demand which our fullest military complement can barely answer. A great number of those among whom such duties had been divided could not be dismissed, without causing the service to be oppressive to the remainder. But there was a further consequence which rendered the burthen intolerable to the native soldier. This incompetence of strength involved nearly an extinction of those leaves which it had been the custom to grant annually, for a proportion of the men in each regiment to visit their villages. The privation of hope to see his connections occasionally was insuperably irksome to the Bengal Sepoy, usually of high caste: In consequence, very many in each corps solicited discharge from the service. Unless when in the field, this indulgence had been uniformly conceded on application, as the individual received no bounty on entrance. Of course, there was an awkwardness in refusing what had, from practice, assumed a colour of right, when contest was only secretly anticipated by Government, from particulars which it wished not to divulge. So many of those who thus petitioned to quit the service were veterans approaching the period of claim to the invalid pension (the great object of the native soldier), that the sacrifice which those men desired to make, exhibited unequivocally the deep discontent of the army. I therefore found Government convinced, that perseverance in the experiment was too dangerous; and the re-adoption of those military provisions which had been stricken off would have taken place, even had not another consideration pressed its being done with the utmost speed. The disgust of our native troops was so loudly expressed in all quarters, that the causes of it were universally canvassed; and as such an extraordinary lessening of our military means was ascribed to uncontrollable necessity, the same inferences of our debility were drawn by all the surrounding States. As might have been expected, a tone and procedure altogether novel had been assumed towards the British Government. There were made over to me, when the reins were placed in my hands, no less than six hostile discussions with

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Native Powers, each capable of entailing resort to arms. It was thence obvious, that a beneficial alteration in our pecuniary condition was not to be effected by parting with the sinews of our strength, but by striving to cultivate and render more productive those sources of revenue which we possessed. In the above-mentioned number of angry controversies, no advertence is made to the Pindaries. Communication could not be held with those execrable spoilers; yet the atrocity of their character, though it forbade the degradation of negotiating with them, could not disparage their inherent force, so as to prevent my regarding them, even at that juncture, as the most serious of the difficulties with which I had to deal. Could the moral call for suppressing one of the most dreadful scourges that ever afflicted humanity, be put aside, still the task of dispersing an association, whose existence was irreconcilable to our ultimate security, as well as to our more immediate interests, seemed to me not capable of being long postponed. At the same time, I saw the intimacy of connexion between the Pindaries and the Mahrattas so distinctly, as to be certain that an attempt to destroy the former must infallibly engage us in war with the whole body of the latter. While the extreme effort was delayed, which our entanglements in other quarters made unavoidable, it was desirable to impose some check on the plunderers. The year before my arrival they had ravaged part of our territories, they had carried off an immense booty with impunity, and they were professedly meditating another invasion, every military man well comprehending that defensive frontier stations, though heavily expensive to the State, were absolutely nugatory against a mounted enemy without baggage, following at will through a vast expanse of country any line which the information of the moment might recommend. There was a chance that intimations from Gwalior might cause the Pindaries to suspend their inroad. It was inappreciable to us to stop, if possible, the projected devastation, while we were to be occupied elsewhere: on which account, I proposed a remonstrance to that Court, on the score of the Pindaries being permitted to arrange within the Maharajah's dominions the preparations for assailing the Honourable Company's provinces. The present unreserved acknowledgment of our supremacy throughout India, will scarcely leave credible the then existence of a relative position, which could occasion my being met in Council by a representation, that a remonstrance of the above nature might be offensive to Scindia, and that nothing ought to be ventured which could give him umbrage. Such, however, was at that period, on either side, the estimate of British power.

This introduction, though longer than I could have wished, was necessary to render our circumstances at that crisis accurately intelligible. There was especially a necessity to explain, why, when a surplus revenue had been actually exhibited, it had no permanence. The delusiveness of the principle on which such a surplus had for the moment been obtained, has been disclosed, and it will be understood, that we were to seek other supplies, should contests not be avoided. A large sum is always required to be kept in hand by Government for current purposes, because the revenue from land, the chief article in our income, is not receivable at periods corresponding with the regular disbursements, and is moreover liable to defalcation, from the remission allowed in case of bad seasons: therefore a sum deemed simply adequate to this object cannot be relied upon, as a provision for a further contingency. Of the six disputes which I have noticed, four were amicably adjusted. One, in the instance of Rewah, was speedily

speedily settled by the storm of a principal fortress, with the menace of a siege to its capital; and the sixth, the contention with Nepaul, remained for decision by arms. A struggle with the latter was unpromising. We were strangely ignorant of the country or its resources; and overlooking the augmented abilities latterly furnished by science to a regular army for surmounting local obstacles, it was a received persuasion, that the nature of the mountainous tract which we should have to penetrate, would be as baffling to any exertions of ours, as it had been to all the efforts of many successive Mahomedan sovereigns. No option, however, remained with us. We were not, through a point of honour, demanding atonement for the wanton invasion of our territories, the brutal massacre of our police-men, and the studied cruelty of tying to a tree, and shooting to death with arrows, the native officer whom we had appointed to preside over the district, though the hopelessness of obtaining from the Government any disavowal of such a complicated outrage must have made us look to war even on that ground; but we were at issue with a nation so extravagantly presumptuous respecting its own strength, and so ignorant of our superior means, that the Goorka Commissioners had, upon a former occasion, remarked to ours, the futility of debating about a few square miles of territory, since there never could be real peace between the two States, until we should yield to the Goorkas our provinces north of the Ganges, making that river the boundary between us, as heaven had evidently designed it to be. The conviction, that the evil day of contest could not be put off, weighed heavily on the minds of functionaries in Calcutta. The possible necessity of withholding an investment was anticipated, and even hinted to the Court of Directors. I endeavoured to allay this anxiety, by assurances that, as far as my professional judgment went, the difficulties of mountain warfare were greater on the defensive side than on that of a well-conducted offensive operation; that I believed myself able to calculate tolerably what expenditure would be entailed by the necessary efforts, estimating the charge much below what they apprehended; and that I could look with confidence to a supply of treasure from a source which they had never contemplated. Soon after my arrival, some British officers came to me from the Nawab Vizier Saadut Ali, sovereign of Oude, bringing to me a representation of the painful and degrading thralldom in which, through gradual and probably unintended encroachments on his freedom, he was held, inconsistently with the spirit of the treaties between the two States. The system from which he prayed to be relieved, appeared to me no less repugnant to policy than to equity. On my professing a disposition to correct so objectionable a course, those officers who had been long in the Nawab Vizier's service assured me, that any persuasion of my having such an inclination would cause Saadut Ali to throw himself upon me with unbounded confidence, and to offer from his immense hoard the advance of any sum I could want for the enterprize against Nepaul. The gratitude with which such a supply would be felt was professed. While I was on my passage up the river, Saadut Ali unexpectedly died. I found, however, that what had been provisionally agitated with him was perfectly understood by his successor, so that the latter came forward with a spontaneous offer of a crore of rupees, which I declined as a peishcush or tribute on his accession to the sovereignty of Oude, but accepted as a loan for the Honourable Company. Eight lacs were afterwards added to this sum, in order that the interest of the whole, at six per cent., might equal the allowances to different branches of the Nawab Vizier's family, for which the

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guarantee of the British Government had been pledged, and the payment of which, without vexatious retardments, was secured, by the appropriation of the interest to the specific purpose. The sum thus obtained was thrown into the general treasury, whence I looked to draw such portions of it as the demands of the approaching service might require. My surprise is not to be expressed, when I was shortly after informed from Calcutta, that it had been deemed expedient to employ fifty-four lacs of the sum obtained by me in discharging an eight per cent. loan, that the remainder was indispensable for current purposes, and that it was hoped I should be able to procure from the Nawab Vizier a further aid for the objects of the war. This took place early in autumn, and operations against Nepaul could not commence till the middle of November, on which account the Council did not apprehend my being subjected to any sudden inconvenience through its disposal of the first sum. Luckily I was upon such frank terms with the Nawab Vizier, as that I could explain to him fairly my circumstances. He agreed to furnish another crore; so that the Honourable Company was accommodated with above two millions and a half sterling on my simple receipt. Particular details of the war in Nepaul would be superfluous: the terms on which it closed will suffice. That State, instead of flanking, as it had done, for nearly six hundred miles, our open frontier or that of the Nawab Vizier, which we were bound by treaty to defend while itself could only be attacked in front, was reduced to about a half of its original extent, remaining with both its flanks exposed to us, through the connexion which we formed with the Siccim Rajah to the east and our possession of Kamaon to the west. The richest portion of the territory conquered by us bordered on the dominions of the Nawab Vizier. I arranged the transfer of that tract to him, in extinction of the second crore which I had borrowed. Of that crore, the charges of the war absorbed fifty-two lacs: forty-eight lacs (£600,000) were consequently left in the treasury, a clear gain to the Honourable Company, in addition to the benefit of precluding future annoyance from an insolent neighbour.

While the war was waging in the mountains, my attention was anxiously fixed on our southern boundaries. I had traced many indications of active communication between States which had for many years had no political intercourse. As I could not then know what has since been unveiled, that a wide confederacy was forming for the expulsion of the British from India, I ascribed the symptoms to vague speculations excited in the Native Powers, by seeing us engaged in an undertaking where they considered our failure certain. The anticipated exhaustion of our strength in the rash enterprize, would present advantages for the improvement of which they might think it desirable to be prepared, and their several views were to be reciprocally ascertained for the eventual crisis. This spirit, though it did not lead them to immediate action, would naturally prompt them to steps which could not be regarded by us with indifference. In one instance, the forecasting disposition of our neighbours showed an intelligible consistence. An agreement was made between Scindia and the Rajah of Nagpore, that the forces of both should act under Scindia for the reduction of Bhopaul. The very terms of the agreement betrayed the real object; for Bhopaul, when conquered, was to be made over to the Nagpore Rajah. It was obvious that Scindia only wanted an excuse for bringing the Nagpore troops into junction with those already under his command, in which case he would have found himself at the head of a very powerful army. It was not a moment for hesitation.

hesitation. Had Scindia's forces, which were assembled and ready to march, once entered Bhopaul, shame would have made him risk any extremity, rather than recede upon our intervention. The Nawab of Bhopaul had solicited to be taken under British protection. I was at that time on Scindia's frontier, my escort being composed of one weak battalion of Native Infantry, a troop of the body guard, and a squadron of Native Cavalry. In three weeks I could not have assembled five thousand men, all our disposable strength being employed against Nepaul: but the case called for decision, and I directed the Resident at Scindia's Court to request that his Highness would forbear any aggression upon Bhopaul, as that State had become an ally to our Government. I desired that this communication should be made in the most conciliatory tone, and that the Resident would not report to me the violent language with which it would probably be met by Scindia, so as that there might be no affront to discuss. There was seemingly hardihood in this procedure; but there was essentially none, supposing Scindia predetermined to go all lengths, any provocation from my message was of no moment. If he were only trying his ground, and taking steps towards rendering a remoter decision more secure, the unexpected check might make him pause, and the gain of time was every thing to me, when I was disciplining recruits in all quarters for the augmentation of our force. Scindia, as was unofficially imparted to me, received the intimation with all the vehemence of language which I had expected: but, notwithstanding his declaration that he should follow his own course, his troops did not move, and the project against Bhopaul was silently abandoned. The Maharajah must have been influenced by the supposition, that the confidence of my procedure, and the apparent carelessness of my progress along the frontier with so slender an accompaniment, arose from my possession of means which he could not calculate. The Resident, in a later day, made a merit with Scindia of having suppressed in his report to me the offensive tone which had been used, and his Highness acknowledged the obligation. The circumstances which I have detailed, will give an useful insight into the doubtful terms on which we then stood with the neighbouring States. Whether positive engagements had secretly taken place among them was uncertain. It was, at all events, clear that they looked to a possible juncture, when they might pursue a common object necessarily unfavourable for us. When Ummer Sing Thappa and Runjore Sing, generals of the Goorkas, surrendered themselves, they could not be brought to believe that the Mahrattas were not actually in the field against us, though neither of them would assign a reason for the supposition. As they had severally professed the persuasion when they could not have had communication, it was evident that each of them must have had knowledge of proposals for co-operation made by the Mahrattas to his Court.

Early in 1817 an event occurred, seemingly unconnected with the suspicious indications which were fixing our attention in other parts, but really deriving great moment from reference to those symptoms. Scindia, had, in 1803, given up to us, by treaty, extensive possessions in the Doab, or tract contained between the Ganges and the Jumna. Those lands were inhabited by Jauts, a hardy and warlike tribe. This ceded territory was divided into several petty districts, each under a Talookdar, corresponding to the Zemindar of the Lower Provinces. From the exposure of the country to frequent invasion from predatory cavalry, the distant sovereign who had not management enough in his dominions to shield his detached provinces from such inroads, was forced to consult his own

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own interest as to pecuniary returns, by allowing those Talookdars to have fortified residences, where the revenue was lodged, as collected, for ultimate remittance to the treasury at Gwalior. The permission for maintaining a fortress necessarily included a garrison, which from vanity, or views of depredation, was in every instance carried far beyond what the duties of the place required. It is probable, that those Talookdars had been looking forward to a time when they might cast off their allegiance to the Mahratta rule, and render themselves independent chiefs of little principalities. Their assiduity in strengthening their fortresses may be ascribed to the anticipation of such a favourable hour. They were encouraged in this speculation, by the circumstance that the Rajah of Bhurtpore, whose power was rated high from his successful resistance to the British, had affinity with their principal families. He and his people are Jauts. In practice, the situation of the Talookdar under the Mahrattas, united the characters of the middle men and the manager of an absentee's estate in Ireland, with whatsoever degree of authority over the peasantry he thought proper to usurp, knowing that his Government would never be at the trouble of calling him to account. The most populous and productive of the districts were under the superintendence of Dyaram, an active ambitious man, whose preponderance in the tribe was supported by amassed riches as well as personal energy. Calculating on a future opportunity for establishing sway over the rest, he employed himself sedulously in perfecting his fortress of Hattrass, which he had originally found of great strength, and in keeping up the discipline of a well-organized force. When his territory was surrendered to the British Government, though our judicial administration was declaredly introduced into it, considerations deemed politic led us to withhold a strict enforcement of our regulations. For obvious reasons, we had never suffered a strong hold to be possessed by an individual in our provinces. On this occasion we deviated from our caution, and did not insist on the immediate demolition of the fortresses in the territory transferred to us. I have understood it was conceived, that when the Talookdars should find themselves efficiently protected from external violence, they would gladly forego the expense of providing for their own security, and would, without repugnance, dismantle their forts, which they were told must ultimately be required of them. Perhaps there was an error in supposing that, after having been continued for a time in the enjoyment of what flattered their pride, they would feel less the sacrifice of the distinction. As it was, they evidently made common cause in a plan for evading that humiliation : they encouraged each other in the resolution, by promises of reciprocal aid; and from the confidence thus inspired, they gradually assumed an undisguised air of pretension to be on the footing of mere tributary dependence. This disposition became more marked and overt at the period to which I have before alluded, when the debilitation of our Government had become matter of general belief, and manifold trespasses on our authority were impudently committed by those Talookdars. Our occupation with Nepaul constrained us to shut our eyes, as much as might be, on those encroachments, an impunity which naturally invited still more determined steps. As soon as our hands were free, it became necessary to notice those irregularities, therefore it was signified to the Talookdars, that any repetition of them would meet decisive chastisement. The intimation was wholly disregarded. At length the Members of Council unanimously represented to me (I having then returned to Calcutta from the Upper Provinces) a daring defiance of our legitimate jurisdiction by Dyaram, who

who had seized and kept in irons within his fortress several of our police officers, for arresting a robber within his district; and who had, moreover, caused a party of his troops to confine for twenty-four hours in a village, the Judge and Magistrate of the Zillah containing those talooks. This was communicated to me with anxiety, because the supposed strength of Hattrass made it appear awkward to undertake the correction of Dyaram. Punishment of the substantive offence was of itself imperiously demanded: but the urgent expedience of bringing the whole body of those Jauts definitively into regular submission as subjects was as strikingly visible. As I had not, however, before learned the particulars to which the Members of Council referred, I answered, that if they would lay before me such a case, sustained by due evidence, as should prove Dyaram to have justly incurred the penalty, Hattrass should be reduced; an operation which I pledged myself to them would not require for its completion eight-and-forty hours after the batteries had opened against the place. When I was in the Upper Country, it had of course been my duty to obtain minute information respecting every fortress with which any claim might bring us into contact, and I had procured the requisite knowledge of Hattrass among the rest. That fort had the reputation of being impregnable; which silly persuasion, had betrayed Dyaram into his contumacious outrages. According to the mode of attack which the natives had been accustomed to see practised by us, Hattrass might, indeed, appear formidable to meddle with. A ditch one hundred and twenty feet wide and eighty-five deep, surrounded a work, in which triple tier of defences, exhibited a provision for contesting the place inch by inch, after the silencing its artillery, and the making a practicable breach, should bring the besieger to the point of storming. Luckily, science has laid down procedures, where the means can be commanded, for avoiding the necessity of hazarding a disadvantageous assault. One of my earliest military cares on arriving in India had been, to satisfy myself why we had made so comparatively unfavourable a display in sieges. The details at once unfolded the cause. It is well known, that nothing can be more insignificant than shells thrown with long intervals, and we never brought forward more than four or five mortars when we undertook the capture of a fortified place. Hence the bombardment was futile; so that, at last, the issue was to be staked on mounting a breach, and fighting hand to hand with a soldiery skilful, as well as obstinately gallant, in defending the prepared retrenchments. This was not the oversight of the Bengal artillery officers, for no men can be better instructed in the theory, or more capable in the practice of their profession than they are: it was imputable to a false economy on the part of Government. The outlay in providing for the transportation of mortars, shells, and platforms, in due quantity, would certainly have been considerable, and it was on that account forborne. The miserable carriages of the country, hired for the purpose when a military exertion was contemplated, were utterly unequal to the service, and constantly failed, under the unusual weight, in the deep roads through which they had to pass; therefore we never sat down before a place of real strength, furnished with the means which a proper calculation would have allotted for its reduction. Sensible of this injurious deficiency, I had, with the utmost diligence, instituted a transport train; and it was in reliance on its efficiency, that I assured the Council of the short resistance which Hattrass should offer. Expedition, no less than secrecy, was important, to prevent any interventions which might trouble us in the undertaking: and notwithstanding the advance of the troops was so rapid, that Dyaram had

information

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information of their approach only two days before Hattrass was actually invested, forty-two mortars kept pace with the march of the force. From the incessant shower of bombs, the garrison was unable to persist in defending the place more than fifteen hours. The body of troops employed was of such strength, that no sudden assemblage could venture to free it, while the speedy effectuation of the object left no time for interference from remoter quarters. Thus, uninterrupted, the officer commanding it, according to his orders, summoned successively the other fortresses of the Jauts. Terrified by the fate of Hattrass, all of them, to the number of eleven, some very strong, surrendered without resistance. The works were every where razed, and the troops attached to them were disbanded, except a few armed attendants allowed for security to the household of each of the Talookdars, in a country not yet brought into habitual regularity. The Talookdars were indemnified for the cannon and arms of which they were dispossessed, being further maintained in as much eminence as was consistent with the laws of the British Government. Those terms, with an oblivion of his past misdeeds, had been offered to Dyaram on the first appearance of the troops before Hattrass, and had been rejected by him, therefore his lands were declared forfeited. Thus was effected, at a critical juncture, an object pressingly incumbent in itself: I mean, the assimilation of those Jaut communities to the orderly condition of our other native subjects, but of enhanced importance relatively to their otherwise possible insurrection in the centre of our possessions, when our force was engaged elsewhere, whether that insurrection should arise from secret preconcert with Powers leagued against us, or be stimulated by accidental temptations. The politics of the Rajah of Bhurtpore would be seriously influenced by deprivation of an eventual support from his tribe; and every prince in India must have felt a diminution of the confidence with which he would have opposed us, when the fall of Hattrass dissipated his trust in fortifications. It is not altogether irrelevant to add, that an annual saving, by no means insignificant has arisen from the transport trains being employed, during peace, in collateral services under the Commissariat Department, of which I constituted it a branch.

While the ferment perceivable in the Mahratta States could be ascribed to the tempting prospect of a particular opportunity, there was the hope that when all chance of such an opening was dissipated, the machinations would subside. Many symptoms concurring to prove that this was not the case, the conclusion was irresistible, that a more defined and methodized understanding, of a tenour hostile to us, had been established, at least among the powers upholding the predatory system in Central India. Their success in seducing other Native States into pledges for acting in concert, could not be judged of, as I have mentioned that our discoveries had then gone no further than the ascertaining that there were frequent missions conducted with great stealth between Powers not in prior habits of communication. The symptoms might be fallible; yet common caution required that the no longer postponable enterprize of extirpating the Pindarries, who had again mercilessly laid waste our territories, should embrace a provision for encountering the widest combination among the Native States. Supposing their confederacy to be actually established, and that I failed in the project I had formed for rendering the collection of their forces impracticable, I was to look to coping with little less than three hundred thousand men in the field. It was a formidable struggle to incur; such, indeed, as it would have been irreconcilable

irreconcilable to my duty towards my employers to have risked, had the hazard been avoidable. I think, however, no one who considers the circumstances will regard it as having been adventured wilfully or inexpediently. I refer not to the fortunate issue, which is always a doubtful criterion of policy. I desire my position to be fairly examined. If it be evident that the contest, whether it should originate in a conspiracy of the Native Sovereigns, or in the support given by the Mahratta States and Ameer Khan to the Pindarries, was not ultimately to be evaded; the question was, only when, and how it might be entered upon with the best chances for success; and I believe that I decided as was imperiously demanded by the interests with which I stood entrusted. I calculated, that by celerity of movement on our part, the ill-disposed might be incapacitated from attempting the opposition which they meditated; and any appearance of our proceeding upon unconfirmed suspicions would be far counterbalanced by their escape from being involved in the destruction of the Pindarries, still more as the measures held in view promised them their share in the anticipated improvement of condition throughout Central India. Before, however, our troops were put in motion, our information respecting the concerted attack upon the British possessions became distinct and incontrovertible. From Cawnpore, whither I had proceeded, I notified to the Council at Calcutta my purpose of framing the campaign consonantly to the above computation. What I contemplated was, the pushing forward unexpectedly several divisions which should occupy positions opposing insuperable obstacles to a junction of the army of any State with that of another, even subjecting to extreme peril any Sovereign's attempt to assemble the dispersed corps of his forces within his own dominions, should we see cause to forbid it. The success of the plan depended on the secrecy with which the preparations could be made, the proper choice of the points to be seized, and the speed with which we could reach the designated stations. I speak relatively to the troops which were to penetrate from the north; for the advance of those from the south, destined to act against the Pindarries, could not be concealed. The formation of my magazines of grain on the frontier was fortunately disguised by a bad harvest in that quarter, which furnished the excuse for transportation of corn thither, as if it were a provision for the inhabitants against eventual dearth. In all other respects, the arrangements were so admirably conducted by the few public functionaries confidentially entrusted with them, that not a suspicion of any intended stir was afloat. In the most distant battalion destined for the service there was not a surmise of impending movement, above five or six days previous to its being actually in march. The suddenness with which we occupied the heart of the inimical countries, added to the efficiency of the means employed, caused all the essential parts of the business to be finished completely to my wish, in hardly more than three months; so as that I was enabled, almost immediately after that period, to send back to their cantonment the part of the force the most chargeable in the field, the European troops. The vast scale of the operations could not but be attended with great expense. It was from their short duration, that when the war charges came to be wound up, the amount for the six divisions of the Bengal troops brought forth on the occasion, did not reach thirty-five lacs of Sonaut Rupees, or about thirty-three and a half of Sicca. When the charge for the troops periodically and unavailingly moved forward from the Madras Presidency to cover the country south of the Nerbudda from the Pindarries is considered, and the heavy loss of revenue from the devastations committed by those wretches, is taken into account, it may be thought a thrifty expenditure, which at such a rate,

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rate, once for all put an end to that annual tax upon our finances. In that expenditure is included, not only every kind of disbursement usually connected with troops, beyond what would have been required for them had they remained in quarters, but one arising out of the special circumstances: while every exaction for provisions or forage was strictly forborne in the neutral or feudatory countries through which we passed, compensation was made for the damage done by the encampment of the troops, even for a night, where the ground was under crop, as was almost invariably the case. The injury was estimated between the chief Commissariat officer and the principal men of the villages concerned, and the retribution agreed upon by them was made upon the spot in ready money. This measure, besides its essential justice, had the object of manifesting to the natives the equity of the British Government, and of inducing such petty independent communities as had not already relations with us, to obtain our protection, by voluntarily soliciting to be taken under our paramountship. The expectation did not deceive us: all those little territories which had till then remained unattached, ranged themselves under our banners. Among other chiefs, the Rajah of Tehree, when he presented his nuzzur in token of plighted fealty, desired me to understand it was the first time that State had acknowledged the supremacy of another, all the efforts of the Mogul emperors to subdue it having proved abortive. We were not at the time in the Tehree territories, nor were we likely to enter them, therefore the conduct of the Rajah could only spring from an impression which must be flattering for our country.

The economy of making our exertion so powerful will be still better comprehended from a further particular. Trimbuckjee Dainglia, the favourite and the confidential instrument of the Peishwah, was the immediate agent in the murder of the Guickwar's minister, Gungadhur Shastry. The person in question had been earnestly invited to Poona by the Peishwah, for the ostensible purpose of settling accounts which were afloat between the two States, but with the real object of having an opportunity for gaining the minister to seduce his sovereign into the confederacy against us. The Guickwar, from some doubt of the Peishwah, would not suffer his minister to repair to Poona, unless the British Government would be answerable for his safety, and we pledged ourselves to that prince accordingly, not merely in compliance with the solicitation of the Peishwah, but because we were anxious that counter-claims between the two States which had given us much trouble, should be finally adjusted. That a Brahmin of the highest caste, first minister of an independent sovereign, and invested with a public commission by his prince, should stand in any risk, appeared incredible, therefore our guarantee was unhesitatingly given. When the Peishwah found that the minister was proof against all temptation, and refused absolutely to betray his master into a scheme which the minister thought would entail his destruction, his Highness determined to make away with such an obstacle to his views, in the hope that the office of minister might be filled by a more manageable individual. Gungadhur Shastry was barbarously assassinated on his way back from a devotional ceremony by night in the temple, whither he had gone upon repeated entreaties from Trimbuckjee Dainglia, after having previously excused himself on the score of indisposition. The Peishwah was apprized that his participation in the crime was minutely known to us, but that, to save his credit, the guilt should be thrown on the special perpetrator Trimbuckjee Dainglia, who must be delivered up to us, in atonement for the outrage offered to our plighted security. Trimbuckjee was put into our hands accordingly. To
conciliate

conciliate the Peishwah, it was promised to his Highness that his favourite should not be proceeded against capitally, but be merely kept in confinement as a state prisoner. Trimbuckjee having made his escape from a fortress where he was negligently guarded, was afterwards speedily, subsequent to the Peishwah's surrender, taken in the field. Regarding the game as irretrievably lost, he thought concealment useless, and indulged that boast of a nearly-accomplished design, with which persons often console themselves under failure. He unfolded, that from early in 1814, the Peishwah had been busied in organizing a general confederacy of the Native Powers, for the purpose of driving the British out of India, and he averred, that we were only by three or four months too quick upon them, or we should have found them the assailants, in which case the issue might have been very different. Certainly, had Scindia, by much the most powerful of the Native Sovereigns, been in the field at the head of his assembled veteran troops, with the fine and well-manned artillery which he possessed, time as well as encouragement would have been afforded to the other confederated powers for resorting to arms, in so many quarters as must have made our movements cautious, consequently protracted, under heavy expense. The incurrence of such circumstances was, at all events, to be risked by us; since, I repeat, it was not a matter of option, whether the extinction of an evil so intolerable as the ravages of the Pindarries should be undertaken. It has been said, however, that a confident expectation was entertained of achieving the main purpose, while every hostile speculation of the Native Sovereigns would be repressed by our sudden pre-occupation of particular positions; and this calculation applied in a more special degree to Scindia. Residing at Gwalior, he was in the heart of the richest part of his dominions; but independently of the objection, that those provinces were separated from our territory only by the Jumna, there was a military defect in the situation, to which it must be supposed the Maharajah had never adverted. About twenty miles south of Gwalior, a ridge of very abrupt hills, covered with the tangled wood peculiar to India, extends from the little Sind to the Chumbul, which rivers form the flank boundaries of the Gwalior district and its dependencies. There are but two routes by which carriages, and perhaps cavalry, can pass that chain; one along the little Sind, and another not far from the Chumbul. By my seizing with the centre division a position which would bar any movement along the little Sind, and placing Major-General Donkin's division at the back of the other pass, Scindia was reduced to the dilemma of subscribing the treaty which I offered to him, or of crossing the hills through bye paths, attended by the few followers who might be able to accompany him, sacrificing his splendid train of artillery (above one hundred brass guns) with all its appendages, and abandoning at once to us his most valuable possessions. The terms imposed upon him were essentially unqualified submission, though so coloured as to avoid making him feel public humiliation. Their intrinsic rigour will not be thought overstrained or unequitable when it is observed that I had ascertained the Maharajah's having promised the Pindarries decisive assistance, and that I had intercepted the secret correspondence through which he was instigating the Nepaulese to attack us. Nothing, in short, but my persuasion, that the maintenance of the existing Governments in Central India, and the making them our instruments and sureties for preserving the future tranquillity of the country, could have dictated the forbearance manifested under the reiterated perfidies of that Prince. He closed with the proffered conditions, and was saved by the acquiescence.

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The advantage to us was, that resistance in any other quarter could be only a transient ebullition. To the more distant States, this non-appearance of a formidable force with which they were to co-operate, was absolute incapacitation from effort. In my way back to Calcutta in July 1818, I received a rescript brought by an envoy from the Birman Monarch, whom we incorrectly call King of Ava, from one of the great divisions of his empire. The purport of this curious paper was a requisition for our immediate surrender of all the provinces east of the Baugrutty, even including Moorshedabad, with a menace, that should the demand not be obeyed, he would lay waste our territories with fire and sword. His projected hostility was evidently a measure concerted with the Mahrattas; and during the rainy season, when the overflowing of the rivers renders the march of troops impracticable, his Majesty conceived, by advancing a title, howsoever extravagant, to those provinces, he should have an ostensible ground for invading a State with which otherwise he had no quarrel. I sent back the envoy with an intimation, that the answer should be conveyed through another channel. He had come from the Court through the northern Birman provinces. The answer was despatched by sea to the Viceroy of Arracan, residing at the port of Rangoon in the Central Division, for transmission to his sovereign. It expressed, that I was too well acquainted with his Majesty's wisdom to be the dupe of the gross forgery attempted to be palmed upon me; wherefore I sent to him the document fabricated in his august name, and trusted that he would subject to condign punishment the persons who had so profligately endeavoured to sow dissension between two Powers, reciprocally interested to cultivate amity. By this procedure, I evaded the necessity of noticing an insolent step, foreseeing that his Birman Majesty would be thoroughly glad of the excuse to remain quiet, when he learned his secret allies had been subdued. That information he received at the same time with my letter; and all further discussion or explanation being forborne, the former amicable intercourse continued without change. The circumstance will shew the extent to which the negotiations of the Mahrattas had gone, exhibiting also the advantage of using exertions so decisive, as should not leave time for distant enemies to come forward.

The former treaty with Scindia, which I had declared annulled on the proof of his hostile practices, contained an article equally discreditable and embarrassing. We were bound by it to have no correspondence with the Rajpoot States, and were thence debarred from granting to them that protection, which they offered to repay by co-operating for the suppression of the Pindarries. Emancipated from so injurious a shackle, I received all these States as feudatory to the British Government. Though each possessed considerable force, their reciprocal estrangements (proceeding chiefly from punctilious, and often hereditary quarrels between the reigning Princes) prevented their ever forming any union. They were consequently plundered for a succession of years, not only by the Pindarries, but by the armies of Ameer Khan, of Scindia, and of Holkar. Devastation had become so familiar to the eyes of the rulers of those countries, that they viewed almost with indifference the oppressions exercised over the Ryots, or cultivators of the soil, by the troops which garrisoned their fortresses or were maintained about the Sovereign's person. The connexion which they now formed with us, secured them against outrage from without, while a main stipulation on our part was, that their own troops should be subjected to such a system of regularity, as would ensure the property and domestic quiet of the villager,

villager, or entail upon an aggression immediate exemplary punishment. The further obligations under which the chieftains placed themselves were, to refer all differences among them to the British Government, to keep a well-equipped contingent in readiness for any call from us, and to employ that soldiery, in the mean time, to crush within their respective States any petty predatory gangs which might become a nucleus for future mischief. These arrangements, rendered efficacious by very simple measures adopted on our recommendation, produced to the Sovereigns, as well as to the subjects throughout those populous regions, a comfort to which every British individual who has traversed that part of India will bear witness. A more formal testimony is on record. When Major-General Sir David Ochterlony was to quit Delhi, in order to assume the superintendence of our relations with the Rajpoot States, he was directed to make an extensive tour through those territories, in order that he might inform the Government at Calcutta what had really been the practical result of our endeavours to meliorate their condition. A copy of his account is annexed to this document. The nature of the statement admits no loose representation: it is an official report, to the accuracy of which the character of the officer is pledged.

The campaign closed with our having acquired undisputed sway over every portion of India: the States which had not professedly subscribed to our sovereignty (Gwalior and Bhurtpore) being, in truth, thence the more entirely subjected to our pleasure, since they were unable to hesitate about compliance with any suggestion; while our interference, on whatever plea of public necessity, would not be limited by those reservations which we had defined in favour of the feudatory sovereigns. This advantage for the Honourable Company greatly enhanced, by its having been attained at a price in blood and treasure short of all probability, when the operations were on so vast a scale, that some of the corps directed to a common centre and object, had been moved from stations distant not less than twelve hundred miles from each other. The dissipation of a serious conspiracy, and the uniting almost every Native Power with our interests, were still not the only grounds of satisfaction. The important degree in which, as represented by Sir David Ochterlony, the population of the Rajpoot States, amounting to some millions, was benefited by the procedure of the British Government, will excite lively gratification. That population, however, formed but a part of the immense mass rescued from misery. A lighter term cannot well be used, for the condition of those who had been exposed to the ravages of the Pindarries. When it is recollected that the association in question consisted of above thirty thousand mounted men, all professedly subsisting upon plunder, the extent of theatre necessary to furnish an adequate prey may be well conceived. The whole of the Nizam's subjects, as well as the inhabitants of the northern Circars of the Madras Presidency, were constantly exposed to devastation. It was not rapine alone, but unexampled barbarity, that marked the course of the spoilers. Their violation of the women, with circumstances of peculiar indignity, which made multitudes of the victims throw themselves into wells or burn themselves together in straw huts, was invariable; and they subjected the male villagers to refined tortures, in order to extract disclosure where their little hoards of money were buried. From this scourge, the territories to which I have alluded were freed by the annihilation of the Pindarries; and the value of the relief was manifested, by the speedy re-occupation and cultivation of extensive districts

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districts in the Nizam's dominions, which had for some years lain deserted by the former inhabitants. The extremity of despair, alone capable of making Hindoos abandon their native seats, will be intelligible to all acquainted with India. Had it not been for the timely interposition, large tracts in the Company's provinces would have been similarly depopulated.

A security from external violence was not the only boon which the body of the inhabitants throughout Central India received from the British Government. The anarchy existing in the States now become feudatory, not only furnished a just pretension for recommending arrangements, but made the chiefs unfeignedly resort to us for aid, in fixing the fundamental rules of their Governments. Confined to their capitals, as they had nearly been for years, through the fear of being cut off by some predatory leader or by some of their own refractory vassals, they were conscious of inability to restore order in their disorganized dominions, and they frankly invited advice, which according to my directions was, in every case, so respectfully tendered by the British Agent, as not to hazard a wound to pride. Hence it was easy, where no acknowledged usages stood in the way, to establish principles between the Sovereign and the subject advantageous to both; giving to those principles a defined line of practical application, departure from which would afford to either party the right of claiming the intervention of our paramount power. While the Sovereign had his legitimate authority and his due revenue insured to him, the subject was protected against illicit exaction or tyrannical outrage. The main danger to this compact lay with the great vassals. They, however, were unequivocally apprised, that any infraction on their part of the promulgated regulations of the State would be immediately chastised by a British force, so that they had not to reckon on the weakness of their Sovereign for impunity in any unconstitutional combination. This could not be construed by them as an empty menace. A striking example had been displayed to them. Two Chiefs dependant on Scindia, confiding in the strength of the fortresses held by them within his dominions, had disclaimed obedience to him, and remained contumacious, though summoned by us to submit themselves to their Sovereign. As a body of our troops were in the neighbourhood, I caused each of the fortresses to be besieged; and as soon as they were surrendered, I put them into the hands of the Maharajah, without any demand for the expenses of their reduction. I was guided by two considerations; first, that Chiefs destitute of revenue could not maintain garrisons without a license to their men for plundering, which would renew the system I had been eradicating; secondly, that Scindia might, from their unchecked insubordination, pretend equal inability to controul others of his vassals, thereby escaping the responsibility which I meant to fix upon him for the maintenance of tranquillity. The measure evinced so clearly the sincerity of our intention to uphold the Maharajah's Government, that it won him to decided reliance upon us, and induced him to meet unhesitatingly many propositions relative to general convenience, which he would otherwise have regarded with jealousy. In particular, I obtained his acquiescence to the keeping up for a further term the contingent of five thousand horse, paid by him, but subject to our requisition and direction. This force he had been bound by an article of the treaty to furnish towards the extirpation of the Pindarries. One of the Company's officers was attached to this corps, under the semblance of securing that its number and efficiency should answer to the terms of the engagement; but the Sirdar ostensibly commanding that body left, with his master's

master's assent, the complete guidance of it in the field to the British officer. Scindia had evaded producing this contingent until after the destruction of the Pindarries. To compensate for such a delay, which I affected to consider as accidental, I pressed that the corps should be employed in extinguishing certain mischievous associations in Scindia's territories. The description applied not only to some bands of avowed robbers, but to a particular class denominated — Thugs. This nefarious fraternity, amounting by the best information to above a thousand individuals, was scattered through different villages, often remote from each other; yet they pursued, with a species of concert, their avocation. This was the making excursions to distant districts, where, under the appearance of journeying along the high roads, they endeavoured to associate themselves with travellers, by either obtaining leave to accompany them, as if for protection, or when the permission was refused, keeping near them on the same pretext. Their business was, to seek an opportunity of murdering the travellers when asleep or off their guard. In this three or four could combine, without having given suspicion of their connexion. Though personally unacquainted, they had signs and tokens by which each recognized the other as of the brotherhood; and their object being understood without the necessity of verbal communication, they shunned all speech with each other, till the utterance of a mystical term or two announced the favourable moment and claimed common effort. Scindia's tolerance of an evil so perfectly ascertained, merely because the assassinations were seldom committed within his own dominions, may afford a tolerable notion of the vitiation of society in Central India before this late convulsion. There is reason to believe, that by this time the pest in question has been rooted out; which, with the suppression of some bodies of horsemen under military adventurers (a service completely achieved by the contingents) will be no less a benefit to Scindia's own Government than the adjacent countries. These changes having been effected, no excuse remained with Scindia, why he should not be answerable for any aggressions suffered by his neighbours from parties assembled within his territories. To counterbalance the bond thus imposed upon him, he received signal advantages. It is true, he was hemmed round by States leagued with each other and with us; so that, still possessing considerable military means, he could not undertake a war without entailing destruction on himself: but he was incomparably more master over his own Sirdars, or leaders of divisions, than he had ever before been, since, if dismissed from his service, they could not debauch the troops which they commanded, through the confidence of supporting them by the plunder of other countries: and he had gained materially in point of revenue, both as to amount and as to certainty of receipt. A number of insulated patches in Malwa, forming a very valuable aggregate, had belonged to the Peishwah, and by right of conquest devolved to us. Few of those small possessions would be annexed to territories which we meant to retain. Such of them as were contiguous to States where it was our interest to give additional strength, were gratuitously transferred to those Governments. Where any of them lay between the body of Scindia's dominions and some detached district of his, so as that by the cession we could connect those territories, we made over our rights to the Maharajah by exchanges, which were always extraordinarily profitable to him. It was highly gratifying to me, that in this mode I was enabled to bestow on the Nawaub of Bhopaul a splendid reward for the liberality with which he had sold all his jewels to maintain troops in aid of our exertions. The fortress and territory of Islamnuggur had been the original

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possession of his family. In the lifetime of his father, Scindia's predecessor had obtained it, through the treachery of the officer to whom it was entrusted, and the strength of the fortress rendered hopeless any endeavour to regain it by siege. This possession, widely separated from the territories of Gwalior, we acquired from Scindia, by giving him in exchange districts greatly superior in value, as well as adjoining to the body of his dominions; and then we conferred it on the Newaub of Bhopaul, as a free gift, to recompense his gallant manifestation of gratitude for the protection his country had received in the crisis of the Nepaul war. The Honourable Company will no doubt approve the policy of such an exhibited proof, that attachment to their Government was an advantageous course. In other instances, the exchange was rarely territory for territory. Many of the neighbouring States acknowledged tribute as due from them to the Maharajah of Gwalior. It had been a *Black Mail*, by which they purchased an exemption, ill observed, from predatory incursions. Length of usage, however, had given to these payments a colour of right. I desired to extinguish them, that Scindia might not have a motive or plea for regular communication with those Governments, and I proposed to him that he should accept land in lieu of them, where I could allot to him any tract contiguous to his old possessions. This was agreed upon, with large amount of surplus of yearly income to him on each exchange; and where the annihilation of the tribute could not be managed on those terms, it was settled, that we should regularly pay the sums to Scindia as they became due, on his transfer of the tributary claims to us. This is noticed, not merely as explaining the precautions taken by us for the future quiet of Central India, but also for the purpose of introducing mention of a circumstance so descriptive of Mahratta principles, as to show the impossibility of reckoning upon tranquillity in India, with a less complete revolution than what we effected. Scindia's minister appearing not wholly satisfied with the arrangement to which the Maharajah had subscribed, it was represented to him that the gain was unquestionable; since, where his sovereign had received land, there was a material accession of territory, as well as a great increase of income, beyond the rate of the tribute, while, in the other cases, Scindia never could have levied the tributes for which we had agreed to furnish the composition, his marching troops through the States dependant on us being interdicted. "True," replied the minister, "there is a visible immediate profit, but then there is the loss of an advantage which we Mahrattas think inestimable, that of having a finger in every man's dish."

All the vices of administration which reigned in Scindia's dominions, existed no less rootedly within the Poona State and that of Nagpore. The population, therefore, in each of those States, as likewise in Holkar's territory, was extraordinarily benefited by the issue of the contest. In the districts which were retained for the Honourable Company, the regular equity of our rule superseded the capricious oppression of the antecedent sway; but even in the dominions restored to Native Princes, our example and advice established a tone of Government altogether unknown before. The general view of policy embraced by us had been to uphold, as much as possible, the ancient authorities, where we could prevent their being hereafter dangerous; and our principle was, to confirm titles as we found them, without admitting retrospects which could never be satisfactorily determined. One obvious exception to this plan presented itself. The Peishwah, Bajee Rao, could never be trusted, after his original perfidy in unprovokedly forming a wide conspiracy for the extirpation of

of the British, and after his subsequent attempt to overwhelm and massacre the British Resident stationed at his court under the pledge of his protection. This criminality of Bajee Rao's was aggravated by the murder, in cold-blood, of British officers who were travelling in his dominions without suspicion of impending rupture. A more imperious consideration, however, presented itself. We had experienced in the conduct of Toolsye Bhye (the Regent of Holkar's State), and in that of Appah Sahib, Rajah of Nagpore, that no acts of personal kindness, no obligations of plighted faith, no conviction of almost inevitable ruin, could weigh with the Mahratta Chiefs against the professed bond of obedience to the heads of their tribes. It was evident that, were such an ostensible superiority to be revived, any compact with Mahratta Princes must be nugatory towards the future tranquillity of India. It was indispensable to divorce those sovereigns from acknowledged community of interest. To have put the Sattara family in possession of the Poona dominions, would have been to create a new leader of the Mahratta confederacy, in whom would have vested all that influence which we had found capable of being so dangerously exerted against us. It was matter of the clearest self-defence, not to resuscitate such a power: Bajee Rao's dominions were, therefore, declared forfeited. The profligacy of his conduct towards us justly merited that punishment. At the time, however, of his surrender, he had bargained that he should not be kept in close confinement, and that he should have a handsome allowance for his support. These stipulations have been construed with the liberality due to his former eminence. He resides at a station on the Ganges fixed upon by himself, under the sole restriction that he shall not move thence without the assent of the British Government: a limitation so little embarrassing to him in practice, that he has been repeatedly permitted to visit places at which he wished to offer his devotions, though the distance might amount to two hundred miles. In these progresses he has received from every military post the salutes and attentions customary towards a prince. On his marches and at his residence he is surrounded by his own guards, amounting to about four hundred, horse and foot, among whom he administers justice in all cases not capital. Beyond his allowance of one hundred thousand pounds yearly, he is in possession of several camel-loads of treasure, which have never been examined, so that he and his two wives can display any degree of splendour they may wish to exhibit. In short, his situation is as dignified as it can be made, consistently with our security and with the necessary superintendence of a Commissioner, who observes towards him every exhibition of respect. His brother, Chimnaje, resides at Benares on a more moderate, but still generous stipend. To the Sattara Rajah an independent territory has been assigned out of the late Peishwah's possessions. It yields a large revenue, competent to the maintenance of considerable pomp: an extraordinary change of position for one who used to be kept in strict custody, with a knowledge that the guards set over him had Bajee Rao's orders to put him and his family to death, on any probability of his being delivered; a command, the execution of which was prevented by the sudden dispersion of his escort, and capture of his person, achieved by our cavalry at the battle of Ashta. Holkar, a hopeless fugitive, was recalled, and established as sovereign of a territory really producing more, from the beneficial administration introduced, than had ever before reached the coffers of the Government. The districts of which he was nominally deprived, to form the independent territory of Ameer Khan, the feudatory allotment for Guffoor Khan, and a little addition to the

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the Rajah of Kotah, had in fact been irrecoverably alienated, and were held by those chieftains with a force which would render any attempt by Holkar's government to dispossess them, idle. The Guickwar had not been involved in the conspiracy, and he profited, as a friend, by our bestowal to him of some lands and rights in the province of Guzerat, which had appertained to Bajee Rao. Appa Sahib, the expelled Rajah of Nagpore, is the only individual of the Mahratta sovereigns remaining to be accounted for. When he stood in a perilous condition, from his proximity to the rule of that country and the jealousy which the reigning prince entertained of him, we secured his life by our avowed protection. The subsequent decline of that reigning prince's intellect into complete idiocy, made it necessary for the British Government to use that privilege of interposition, to which we had entitled ourselves by a recent treaty. The Rajah was taken out of the hands of some low wretches, whom he had collected to amuse him while he had yet a sense of volition, and who under his name were pillaging the treasures of the State; and the Regency was placed in the hands of Appa Sahib. The Regent availing himself of the facility which his situation afforded, caused the Rajah to be poisoned, lest he should adopt a son who might, notwithstanding the Rajah's incapacity of choice, find support from some party in the State. The crime was suspected; but as there was not then any thing like proof of it, the surmise could not stand in the way of Appa Sahib's accession to the musnud or throne, so that he was immediately recognized by us as the lawful head of the Government. Our further intercourse was a succession of favours lavished by us, till the Peishwah resorted to arms. At that epoch Appa Sahib, with the basest treachery, endeavoured to destroy the Resident, by an attack which he hoped would be unexpected. Being foiled in the attempt, and intimidated by the approach of large bodies of our troops, he opened a secret negotiation with the Resident, offering to withdraw from his army, which he would order to separate into quarters, and to repose himself entirely on the Resident, were he assured that his exercise of his sovereign power should be undiminished. The proposal was accepted, on Appa Sahib's solemnly plighted faith, that he would not seek to aid the Peishwah, whom we were pressing closely in the field, or hold any communication with him. The army of the Rajah did not disperse, but on the contrary stood an action under the walls of the capital, thereby affording ground for suspicion that Appa Sahib had taken the double chance of resting upon us, should his forces be defeated, or of rejoining them should they be victorious. Notwithstanding the doubt unavoidably excited, the route of the Rajah's troops made it appear our most desirable course to confirm him in his professed good disposition, by seeming to give the fullest credit to his sincerity. While we were thus encouraging him, we obtained unquestionable proof of his being in correspondence with the Peishwah, and of his having solicited that prince to hasten with his army to Nagpore, where his Highness would be joined by the Nagpore forces, broken for the moment, but not extirpated. Pursuant to this invitation, the Peishwah marched in the direction of Nagpore, and was joined by the portion of the Rajah's troops which happened to have retired in the vicinity of that line. As the machinations of the Rajah now become seriously dangerous, his arrest was indispensable. It took place accordingly, when one of his principal ministers, who was seized at the same time, openly reproached him for the ingratitude and folly of the conduct, whereby his Highness had involved both of them in such disgrace. He asked the Rajah whether he would deny his (the minister's) having earnestly and repeatedly sup-
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plicated his Highness to abstain from the perfidious intrigues into which he was plunging himself. Appa Sahib admitted the truth of the minister's assertion, saying moreover, that he had been aware of the probable ruin attending his procedure, but that his bond of obedience to his chief, the Peishwah, was above all other considerations. Orders were issued for the Rajah being sent to a fortress on the banks of the Ganges, where he was to be for the present detained, but with respectful treatment. The British officer commanding the escort was instructed not to subject the Rajah to restraints, which might be humiliating without being absolutely necessary for preventing his escape. This desire on the part of Government was construed by the officer with such latitude, that he left to the Rajah the means of getting away. Appa Sahib betook himself to a hilly province of his country, where he collected a considerable body of mountaineers, and called on the inhabitants in general to rise in his favour: this made it expedient for us to lose no time in establishing a new Government. The members of the reigning family, and the principal persons of the State, were consulted. They unanimously recommended the nearest of blood in the Bhoosla (the Rajah's) family for the succession, and he was raised to the Musnud in the room of Appa Sahib, we retaining the tract along the Nerbudda which had fallen to us after the action at Jubbulpore, and which was necessary for the continuity of our territory. The country has since remained in quiet and prosperity under this arrangement. Appa Sahib, forced from his strong holds, fled to Asseergurh, where was secretly received by Jeswunt Rao Lar, the Governor, who had long instigated his opposition to us. Not caring to abide by the fate of the fortress, when our troops advanced to besiege it he quitted it in disguise, and made his way to Runjeet Sing in Lahore. The latter could not, according to Indian habits, refuse him shelter; but well understood, that the granting this refuge to the Ex-Rajah could not be offensive to us, and would not need explanation, if he (Runjeet Sing) prevented the Ex-Rajah from collecting any body of armed adherents. Appa Sahib has, therefore, remained in the territories of Runjeet Sing, subsisting on a slender allowance granted to him by that chief, and strictly watched, though not declaredly a prisoner. Thus the condition of the several Mahratta States has been portrayed. Each is hemmed round and effectually shackled, partly by the Honourable Company's possessions, partly by Patan or Rajpoot States of considerable strength, and bound to us by the clearest community of interest. The peace of Central India, seems well secured, while the extension of our paramountship to the Indus has a bearing which shall be noticed hereafter.

When a crisis altogether inevitable had occurred, and unprovoked malignity had imposed upon us a struggle, not for preponderance, but for the retention of any footing in India, the having risen superior to the danger, even at heavy cost, would be a rational ground for self-gratulation. In proportion as the effort had made a recurrence of similar hazard less probable, the charges suffered would be lightly regarded. Should a further advantage have been acquired; should a large addition to the annual revenue of the Honourable Company follow the removal of the peril which had impended, and attend the substantiation of an arrangement precluding, as far as human calculations can go, all likelihood of convulsion for many years, little might appear remaining to be wished, and the pecuniary sacrifice at which such a position was purchased would not be very strictly considered. The satisfaction, however, may admit an ingredient rendering it more complete. The bettered condition of several millions of the natives, whence our

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supremacy has been spontaneously and joyfully acknowledged by the great bulk of the inhabitants, is a pride for the Honourable Company's reflection as well as a security for its interests. It is, I most confidently believe, so felt. I proceed to show, that in the attainment of points every way so important, the Honourable Company has not been put to the expense of a single shilling.

Lest any doubt should be suggested on the comparative statements which I intended to submit, I required specific answers on certain heads from those public functionaries in India immediately charged with the financial details. The letter in the Appendix, signed by the Secretary to Government in the Revenue Department and by the Accountant-General, is evidence equally precise and irrefragable. Each separate exposition which I offer will be verified by reference to that document. To be more generally understood, I convert their sums of rupees into English sterling. In doing this, the Sicca rupee is estimated at two shillings and six-pence : Because, although that be not the rate at which it is at present receivable in England, it is better to take the computation according to which former accounts have been discussed in Parliament, than to look to a fluctuating exchange ; while the assumed value of the coin is of no consequence in the comparison of sums at different periods, since the same rate is made applicable to each.

The financial year of India commences on the first of May ; of course, closes with the 30th April. Having arrived at Calcutta late in 1813, I regard my financial management as having commenced on the first of May 1814 ; that is, with the beginning of the official year 1814-15. On that day the registered Indian debt stood at Rupees 21,31,92,502, or £26,649,052. 15s.

On the 30th April 1821, the registered debt stood at Rupees, 25,85,06,549, or £32,313,318. 12s. 6d. There was, consequently, an augmentation of the public debt amounting to £5,664,255. 17s. 6d.

This amount is taken on the 30th April 1821, at which date the increase of debt was at its highest ; a subsequent operation in finance involving the possibility that portions have been liquidated at home with money remitted for the eventual purpose, and rendering it impracticable to state the point with certainty at a later period. It is now to be seen what was on the same day to be set in the opposite scale to that increased burthen.

The cash balance is the money remaining in the different treasuries of the three Presidencies after the demands of the official year are defrayed. The aggregate cash balance of the three Presidencies, or Indian cash balance as it is called, amounted on the 30th April 1814 to Rupees 4,80,67,149 ; that is, £6,008,393. 12s. 6d.

On the 30th April 1821, the Indian Cash Balance amounted to Rupees 9,78,62,227, or £12,232,778. 7s. 6d.

This latter sum exceeds the sum in hand on the 30th April 1814 by £6,224,384. 15s.

It appears by the above account, that on the 30th April 1821, the addition of cash accumulated in the treasuries exceeded the addition made to the registered debt, by more than five hundred and sixty thousand pounds ; so that, upon that day, I could have wiped off the whole of the additional debt incurred during my administration, and have left the public coffers richer by above half a million than I found them. Though the rapid increase of our income might seem to recommend this measure, while there would have been a striking effect for myself, I could not reconcile my mind to a step which I conceived essentially

essentially objectionable. The augmented value of the Government securities in the market could not affect us as far as respected loss, since we had it at our option to discharge the bonds at par : but I deemed it highly impolitic (and I remain firm in the opinion) to break a tie which so obviously secures the attachment of the monied class to our Government, in a country where that class has peculiar influence. Latterly I have had reason to believe that the Native Princes have fallen into the habit of vesting their money in those securities ; a motive the more for them to abstain from intrigues against us. The periodical discharge of the interest never can be an embarrassment to Government ; nor is the magnitude of the debt objectionable in any other respect, when the high premium which these bonds command distinctly proves, that the number afloat scarcely suffices for the convenience of our native subjects. When I left India, the premium on those bonds, the interest of which was payable in Calcutta alone, fluctuated between fourteen and sixteen per cent. : a material difference from the regular discount of twelve per cent, at which I found them. Although the accommodation of our native subjects in such a depository for their money, and the facilitation to commercial transactions advantageous for the Honourable Company which such a convenience affords, be but a secondary consideration, it strengthens the argument for identifying the interest of a leading body of the natives with ours, by making such a proportion of their fortunes depend on our stability ; and I anxiously hope that these circumstances will be fully weighed, before any part of the accumulation shall be worse than wasted, by applying it according to theoretic rules, totally unsuitable to the present state of Indian affairs. The fact of such an accumulation during a period of uncommon exertion must appear singular. The solution which might the most readily present itself would be, that the Government in India had, throughout the term in question, at least narrowed, if not wholly withheld the usual supplies to England. How that article stands has not been left to conjecture. For the twenty years preceding that which commenced on the 1st May 1813, the average of annual supplies from India to England (beyond those from England to India) amounted to Rupees 38,83,465, or £585,433. 2s. 6d.

The average annual supply (similarly measured) from India to England, during the eight years from 30th April 1814 to 30th April 1822, was Rupees 1,05,90,515, or £1,323,814. 7s. 6d.

Had the comparison been drawn from what India contributed to England during the first five years after the 30th April 1814 (the year within which all the active operations were comprized) the result would have been prodigiously more marked in favour of the local Government. It was, however, desirable to bring down the account to the latest day on which it would be made out ; and thence a very extraordinary and unexpected charge came to be included in the description of supplies to India. This shall presently be explained. It is first, however, expedient to notice, why the year 1813-14 is not taken as one of twenty preceding my administration, lest it should be thought that there was some advantage in leaving it out. The year could not, with any accuracy of definition, be numbered as preceding my administrations since during the half of it I conducted public affairs, I was not entitled to assume for myself any merit for management in the earlier months, and in my portion of it I remitted to the Honourable Court a large sum in gold (I think about £300,000) beyond the ordinary supplies, which sum is not admitted into the credit of my statement, and could not, of course, be correctly set against me.

Hence

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Hence the year was necessarily a neutral one as regarded the calculation. The secret of the accumulation is this. Though the military operations were of immense scale, there was great attention not to incur the charge of preparations, other than what were foreseen to be indispensable, and constant vigilance was exercised to prevent slatternly expenditure. From that care, the yearly income was sufficient to answer the additional demand of the war, and the produce of the loans remained in the treasury. The provision of cash from that resource has been so strongly urged as a measure of salutary precaution by those most experienced in the pecuniary details of the Government, that I had through deference, though not without some doubt, assented: but when a loan was invited by the Council at Calcutta, while I was at Cawnpore, it appeared to me so decidedly superfluous, that I requested the books might be closed as soon as possible. Luckily the accumulation of the sum has not entailed any inconvenience, and the money is available for purposes of the highest importance.

The occurrence to which I alluded, as having affected in appearance the balance of supplies between England and India, was this. It was an article in the engagement, that the bond-holder should have the option of receiving the interest in India or from the Honourable Court in London, as might suit his convenience. That choice had been given to accommodate the British lender, it never having entered into conception, that the native bond-holder could resort to it. In the year 1819-20, however, the course of exchange became heavily disadvantageous for Calcutta. The Europeans residing in the city immediately perceived the means of profiting by the circumstance. By giving to the native bond-holders something more than would have been receivable at the treasury, they obtained from the former bills on the Honourable Court in London for the amount of interest due. This practice was carried to the extent of the whole debt, occasioning a loss of nearly twenty-two per cent to the Honourable Company, beside the inconvenience of having such a mass of bills to meet. The abuse demanded instant remedy. When it has been shown how low was the credit of Government in 1813-14, our command of the money-market in 1819-20 may be viewed with some surprise. It was so complete, that Government was enabled to notify bonds to the amount of fifteen millions sterling for immediate liquidation, unless the holders would exchange them for new bonds, the interest of which should be demandable in Calcutta alone. The new bonds were invariably accepted by persons on the spot. An adequate term was allowed to agents to take the pleasure of their principals at home, as to being paid off, or ceding their title to receive the interest in England; and it is this which prevented the state of the debt from being particularized later than the 30th April 1821. It is obvious that it might be lower on a subsequent day, but could not in the interval have received addition. Bonds of a date posterior to those notified as above could not be dealt with exactly in the same manner, for Government feared to produce distress, by diminishing too much the means of remittance. To the holders of those bonds, the choice was given of receiving payment or of accepting new bonds, entitling the holder to exercise the option of demanding the interest at the Calcutta treasury, or of drawing on the Honourable Court for the amount, at the exchange of two shillings and a penny for the Sicca Rupee instead of two shillings and sixpence. The new bonds were almost generally taken, and I left them bearing a premium of from eighteen to twenty per cent. The annual loss against which the Honourable Company has been protected by this operation, for as long as a rate of exchange similar to the

the present may last, has been calculated at two hundred and fifty thousand pounds.

As a particular in the improved condition of affairs in India, I mentioned the augmentation which the Honourable Company's revenue has received. The addition is not inconsiderable. The joint receipt of the three Presidencies for the official year 1813-14, excluding items which did not arise from Indian sources of revenue, amounted to Rupees 14,74,07,322, or £18,425,915. 5s.

The receipt of 1821-22, restricted in the same manner, was Rupees 18,88,09,832, or £23,601,229.

The income of the latter year, consequently, surpassed that of the year 1813-14 by £5,175,313. 15s.

Had it not been for a peculiar oversight, the excess would have been much greater. To prevent interference with the Honourable Company's trade in opium, we had made a treaty with the several independent chiefs in western Hindoostan, to purchase at a settled price the drug from them to the fullest extent in which they had respectively hitherto produced it, prohibiting the admission of any quantity beyond that amount into our territories. As the possessions of the chiefs in question were contiguous to the Bombay Presidency, that Government was requested to manage the sale for export of the opium so acquired. From being unaccustomed to the arrangement, the Bombay Government made its terms, that the whole price for the opium of 1821-22 sold by it should be payable in May 1822, thereby excluding that article of income from the official year to which it fitly belonged. As the amount was thirty-eight lacs of rupees (or four hundred and seventy-five thousand pounds sterling) the difference occasioned by its omission from the accounts of its proper year is most trifling. I have no hesitation in saying, that the income of the current year 1822-23, may be anticipated as exceeding by six millions sterling that of 1813-14. This increase ought to be still further progressive, because while none of the sources hitherto productive are likely to become less so, but on the contrary exhibit every promise of yielding more, there is a deduction which must in its nature be annually diminishing in operation, till at length it shall wholly cease. In the territory of Poona, for instance, in order to secure acquiescence in the extraordinary change which we were effecting, life tenures in lands were either confirmed or granted to men of influence, to the extent of fifty-one lacs, or £637,500 annually. These are interceptions from the receipt; and it is to be observed, that all the comparisons submitted by me refer not to calculable income but to actual receipt. Life-rents of this kind must successively (many of them speedily) fall in, and swell the sum paid into the Honourable Company's coffers. Tenures of the same description, though not so numerous, had been granted when Lord Lake subdued the territories around Delhi, and such of them as are still outstanding are subject to similar lapse.

Were this increase of receipts accompanied by an exactly corresponding increase of changes, still it would not cease to be an advantage to Britain. It would not be a direct gain for the Honourable Company, though much profit from it would, through circuitous channels, reach the coffers of that body. I should thence have been little satisfied, had I not been able to provide for the safe and undisturbed retention of our newly-acquired territories, on terms which would ensure to the Honourable Company a constant and ample surplus. After revolving every circumstance with the coolest caution, I cannot find any reason why, subsequently to the present year, an annual surplus of four millions sterling,

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sterling should not be confidently reckoned upon. This ought naturally to increase; for, the causes which will augment the receipt have nothing in them tending to require further charges.

Whatsoever melioration the affairs of the Honourable Company may have experienced, such efforts of mine as contributed towards it were no more than simply my duty. The tenour of my engagement implied, in my construction, my plighted honour, to use my unremitting exertions for the advantage of those who placed their reliance upon me; and the critical nature of any unforeseen objects towards which those exertions could become demanded, be the risk of my decision what it might, was of course within our mutual understanding. I have, therefore, no merit to claim, beyond the consciousness of having indefatigably endeavoured to fulfil that to which I felt myself pledged. At the same time, I may be permitted to avow my exultation, at having been able to conciliate, with the strictest discharge of my trust, the bettered condition of an immense population: a circumstance in which I regard the character and interest of our country to have gained much. I believe it an honest boast, to have been even such an humble instrument as I was in the effectuation of that end. Still, the vanity of contributing towards so proud a purpose, might seduce me to pay less attention than was due to my more immediate obligation. Thence, I will beg leave to recapitulate the points of benefit for the Honourable Company which I consider as established, that if I have been any where deficient, the particular neglect may at once be seized.

1st. The overweening insolence and hostility of Nepaul, a power dangerous from its position along an extensive and open frontier of ours, has been so completely chastened, as to make that people sensible they can only retain their independence as a State through the moderation of the British Government.

2d. The Pindarry association, a dreadful scourge to every neighbouring community, and peculiarly afflictive to the Honourable Company's subjects, has been annihilated; and the fruitless annual expense of protective measures against those depredators, together with frequent heavy loss of revenue, is henceforth precluded.

3d. A confederacy, aiming at no less than the total extirpation of the British from India, has been so thoroughly subverted, that not a germ is left for its reproduction.

4th. Throughout the term of an administration, during which such unprecedented demands for services on the spot were to be met, the Honourable Court has received, on an average, annual supplies from India (beyond the amount of supplies from England to India) nearly trebling the rate of supplies furnished to it on the average of twenty years preceding. For five years of my administration which demanded most extraordinary effort in India, the supplies nearly quintupled the former example.

5th. The yearly Indian revenue of the Honourable Company from permanent sources, displayed at the close of the last official year an increase of five millions one hundred and seventy-five thousand pounds sterling, by actual receipt. For reasons assigned, that increase is expected to amount, in the present year 1822-23, to six millions. There is no probability that it should hereafter sink below that rate, but there is every just ground to reckon upon its progressive augmentation.

6th. The clear Indian surplus to be henceforth exhibited is estimated by me at four millions sterling yearly. It will probably be more ample.

7th. The

7th. The Honourable Court has been, with a material saving, delivered from an embarrassing provision of the conditions of former loans; while the justice of the operation was so distinctly recognized, that the credit of the Honourable Company's Indian securities has risen to a pitch which no speculation could ever have presumed.

8th. In the year 1813-14, the independent powers of India were so numerous and strong as to conceive themselves equal to expel the British, at present every Native State in that vast region is in either acknowledged or essential subjugation to our Government.

Lastly. These advantages are not counterbalanced by any burthens contracted in the acquiring them; because there is, at this instant, an accumulation of cash in the treasuries beyond what I set out with, more than sufficient to wipe off the additional debt incurred during my administration, were it wise so to employ the money.

The credit sought for this flourishing condition of the finances might be fallacious. The exposition is delusive and unworthy, if the plenitude of the coffers be owing to the produce of novel and grinding taxes, or to Government's having kept back from the country those issues of money, which every community is entitled to expect shall be applied by its rules in furtherance of public convenience. As to the first, it suffices to say that not a single new impost took place during my administration, while several teasing demands were abolished, as well in the old provinces as in the acquired territories. Regarding the second, I have reason to hope that I cannot be charged with having neglected those facilitations to commercial intercourse, and those encouragements to agricultural activity, which I knew would be consonant to the just and liberal spirit of the Honourable Company. Readiness of communication is, in every country, the chief spur to industry. Roads, of which many approach to completion, are in progress, under the superintendence of the Quarter-Master-General's Department; and as I do not recollect any of the branches to be of much less extent than two hundred miles, with numerous bridges over streams heretofore often impassible for long terms through the casual swelling of the waters, the degree of accommodation to be thus afforded to the inhabitants would be thought important in any part of the world. It is peculiarly so in Central India, where the prevalence of clayey soil makes the tracks which the natives denominate roads frequently impracticable, for even their light carriages, during the rainy season. The transportation of goods has been further promoted by attention to canals; though in the latter, an utility has been consulted, far beyond the despatch of articles to a distant market. The canal of Ali Murdhun, after being devoid of water, and its banks every where prostrated for above three score years, has been perfectly restored. The city of Delhi, although situated on the banks of the Jumna, was destitute of wholesome water. The river, in those alterations common to all the greater streams in their course through the wide plain of Northern India, had come into contact with such vast beds of natron, that its water became powerfully impregnated with the salt, and consequently nauseous. To remedy the distress, Ali Murdhun conceived the grand design of forming a canal, which should receive a large portion of the stream of the Jumna where it issues pure from the mountains into the plain, and should convey it to the Mogul capital. This was achieved. The extensive tract through which it passed had been chiefly untilled, because in most parts the wells sunk in it furnished only water so saturated with natron, as to be unfit to drink and adverse to vegetation. The facility of irrigating the land with

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with the water of the canal soon collected settlers and produced cultivation, so that a large expanse, till then desert, displayed the most luxuriant fertility. The gratitude of the inhabitants bestowed on the canal the expressive title of "Sea of Plenty." The feelings of the people of Delhi, on the restoration of this canal, may be judged, from the fact that, on the day fixed for removing the last intercepting mound, and suffering the water to proceed to the city, the whole of them went forth to hail the boon, by throwing garlands and sweetmeats into the advancing current. A long branch from this most useful work had formerly, under the name of Feroze Shah's Canal, been pushed into the province of Hurreana. Its supply was lost in the destruction of the magnificent source whence it had been fed, and its course remained but partially traceable. At the time of my departure from India, this canal was nearly re-established; every mile of its progress being attended with revived teeming cultivation, in a region which had been abandoned. A third canal, which runs longitudinally through the Doab, and had been constructed in ancient times to accommodate a country where streams were scarce, was also in process of restoration when I sailed. Calcutta was, naturally, not overlooked by me. The causes of the insalubrity of the city had been carefully investigated and ascertained. Contagious distempers were unavoidably generated, by the excessive closeness with which the houses of the natives were huddled together in the heart of the city, and the numerous small pools of stagnant water concealed among those hovels. Large sums having been advanced to the Committee of Improvement, a well-considered plan was adopted for correcting both the unhealthiness and the inconveniences. The main remedy lay in piercing Calcutta through the centre, in its longest diameter, with a street sixty feet wide. The ventilation of the city, as well as the comfort of the inhabitants, was further promoted, by making several squares, with a tank or spacious reservoir of water in the middle of each, to be surrounded by planted walks for the recreation of the better classes. These improvements, however, still, as to ornament and convenience, fall short in comparison with the quay called the Strand, destined to extend upon the river bank along the city between two and three miles. Much of it is already finished, to a height of about forty feet above low-water-mark, with many gauts, or broad flights of stairs, for the accommodation of the natives in the bathing prescribed by their religion, as well as for the landing of goods. Being sixty feet clear at the top, this quay will afford great facilitation for the carriage of articles from the shipping to all parts of the city. There is another work, which, though not actually begun, is fitting to be noticed here. Dangerous shoals between the mouth of the Hooghly and Calcutta prevent all ships of considerable size from coming up to the city; and merchant vessels, of but moderate bulk, are exposed to no little risk in the attempt. At the same time, the violent squalls, and the Bore to which the Hooghly is liable, render the despatch of cargoes back and forward by the river sloops, tardy and hazardous. As a remedy for this difficulty, it has been proposed to form from Calcutta to the new anchorage, where the great ships ordinarily moor, a canal competent to be navigated by those sloops. A survey having been made by my direction, the plan appeared securely and speedily feasible; partly by cuts, partly by availing ourselves of favourable reaches in different small rivers. The length would be about ninety miles. As the tolls would furnish a large interest for the money expended, I left upon record my opinion, that the undertaking should be earnestly recommended to the

the Honourable Court of Directors. Conviction may be felt from this statement, that the fostering attention which the Honourable Company would desire should be paid to the immense population over which it presides, has not been sacrificed to selfish interests. I do not particularize the dissemination of instruction among the natives, because any impulse which I could lend to its promotion was nothing, in measurement by the standard of those most meritorious and consecutive endeavours of others, whence visible and increasing impression has been widely made in the country. The point is mentioned only, lest I should leave myself open to the impression of not having adverted to a duty of such deep concern.

I have ventured to suppose the interests of our country at large, as having been promoted by the recent settlement of India. In no way could I gratify the Honourable Company more, than in showing that it did not seek the enjoyment of an exclusive benefit, but prided itself on reaping its advantages under the influence of our national prosperity. It is strictly accurate to contemplate the case with this extended view. The concerns of the Honourable Company have, I trust, been solidly improved; but it has only been through arrangements which add directly to the power of Britain. I am prompted not to let slip the opportunity of making the assertion, from my being aware that, except in a confined circle, the affairs of India are insufficiently understood in England. The worth of so splendid an appendage to the British crown is not adequately estimated. Strange as it may seem, I myself remember to have heard the argument vehemently supported a few years ago, that India was an injurious drain to the Mother Country. It is difficult to figure to one's-self how so loose a notion had been adopted. Were we to rest on advantages of an inferior description alone, our footing in India affords several to England, unbalanced, as far as I can judge, by any inconvenience. An honourable and dignified maintenance is provided for branches of many respectable families, thereby removing a burthen from the patrimonial estate, with a prospect of ultimate wealth to uphold the name. Then let advertence be given to the fact, that almost every one of these functionaries renders assistance to some connexion or other at home. The remittances from his liberality, which is fully within my knowledge, may seem of little consequence; yet the aggregate of a number of streamlets, constant in their course, cannot be indifferent, especially if the supply from those unobserved channels have an obvious tendency to aid that rapid circulation, which is the secret of general opulence in every country. But the magnitude of establishments in India, and that of the military force above the rest, has been censured. Perhaps it might be worthy of reflection, that in proportion to the extent of those establishments, will be the scale of those unceasing silent contributions which I have described; while it is not to be forgotten, that this is not the return of English money to England. Whatsoever be the expense of the Indian establishments, the funds for them are all furnished from Indian sources. The supplies from England to India, mentioned in a former part of this detail, are only advances made by the Honourable Court, chiefly in stores and other articles of consumption, which are repaid by India. An argument founded on this consideration would not be valid, if urged against any sound objection to the expense of the establishments, as wasteful or abusive. I know not on what ground the charges could justly be so represented. The numerical strength of civil servants has been regarded by every one who has considered the subject, as far short of what the service demands. The scale of the military force has not been hastily or carelessly determined. It

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is not in India merely necessary to measure the degree of force requisite to guard against the possible ebullitions of a population, and generally an armed population, which I believe to equal that of all Europe. It is indispensable to have stations throughout that wide expanse, which may assist the Native Princes in the control of their own soldiery, and thus enable them to fulfil their engagements, of keeping the roads in their respective dominions free from robbers; a burthen for which we are amply compensated, by the activity and security of a trade productive to us in a variety of ways. The main consideration, however, still remains to be explained. There is in India a numerous class, by descent and by habit from early youth, professedly devoted to a military life. Individuals of this body rarely, and in small numbers, find means of subsistence in other situations, such as, according to the prejudices of the country, they can fill without disgrace. It is policy, nay more, it is economy, to have an adequate opening for the employment of such a proportion of the men in question, as that the residue, which cannot be taken into pay, may not be liable to form any where connexions requiring exertions and expenditure for their dissipation. The particulars which must determine the desirable extent of force are so complicated and fluctuating, that the point should visibly be left to the prudence of the local Government. When the Honourable Court pressed military reduction upon me, I could only say that, with an ample force, I could ensure to the Honourable Company a revenue yielding a large surplus: should the force be rendered incompetent, I could not answer for satisfactory results in any shape. My notion of the proper scale may be erroneous, but the issue has not been unfavourable.

No one can be blind to the circumstance, that the magnitude of a force wholly supplied with arms, clothing, and equipments, by the British manufacturer, involves somewhat of an intelligible set-off against the abstract objection of its burthen on the Indian finances. The quality of that objection, however, is not precisely comprehensible. If it be said that, on the present footing, the large provision for the army intercepts sums which might otherwise augment the dividends, I should conceive that the Proprietors would not be much disposed to risk their actual advantages, upon the hazardous experiment of diminishing the force, by which advantages of such extraordinary present amount are now secured; and the individuals interested are the most likely to form a salutary judgment on their own concerns. Should it be said that, by the expenditure, the Honourable Company is insomuch the less able to discharge the territorial bonds due to the English creditor, the reasoning would, in the first place, gratuitously and improbably assume, that with a scanty force, an equal accumulation of surplus would be forthcoming to answer the debt: but I appeal to the proof already given, that every one of those creditors who wished for the liquidation of the bonds possessed by him, might have had them discharged immediately. The case, indeed, is hardly imaginable, that an individual would desire payment at par from the Company, when by exchanging his old bond for a new one he could, on the same day, sell his security at a great premium. Thence the instances in which the new bonds were not accepted have been simply those, where time was allowed for reference to a creditor in Europe, who had not left with any agent powers applicable to such a contingency. Every bond that was purchased ten years ago in the market, and was transferred as above, became and remains worth a fourth more than was paid for it when so bought. This part of the subject cannot be dismissed without observing, that it is

is idle to regard as embarrassing, a debt which scarcely exceeds one year's income of the State; the interest of which, consequently, bears so small a proportion to that income, as to render the provision for it a matter of no possible inconvenience. The invariable condition of the loans leaves discharge of the capital entirely dependent on the will of the Honourable Company, as long as the interest shall be punctually paid at the fixed periods.

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I have been solicitous to show, that there was not any thing questionable in the stability or affluence of the Honourable Company's finances, because an unsoundness in that respect would detract from the value which I ascribe to India as a portion of the British empire. No such doubt being rationally admissible, every statesman must surely perceive, how many of the European sovereigns are held seriously in check, by the powerful armies which it is now known India could rapidly despatch against their possessions. The situation, if it be duly considered, makes the command of so large a disposable force no inconsiderable ingredient in our national strength. From the relaxation of prejudices among the Sepoys, that force is not to be deemed available for contiguous objects alone, but is transportable by sea to distant parts of hostile dominions. Should it be imagined that, while India contains those means of offensive operations, it may, on the other hand, be exposed to insurrections or invasion, which would forbid the embarkation of these troops for prolonged enterprize, I answer, that experience in times far less tranquil than the present, repels such an assumption. Remembrance that an Indian army actually exhibited itself in Egypt, must satisfy every one how readily applicable that force is to remote purposes. Were it even granted, that the sending those troops up the Red Sea was done at some risk to the territories whence the army was drawn, I would say, whatsoever might have been the case then, no danger is conceivable now. As to internal commotion, its nature could not be apprehended, as passing at the utmost some unconnected attempts at assemblages for the purpose of plunder; an evil which would be provided against by the enrolment of irregular levies, for the time during which the disciplined force should be absent. As to attack from abroad, the intention must be long previously discovered, so that India could not be found unprepared. The project would be futile, did it not embrace the calculation of dispositions and ability in the inhabitants of India, to facilitate the undertaking. Such an expectation would, in the existing position of affairs, be groundless. Had any Native Prince the wish to abet a foreign assailant of our territory, his indulgence of the propensity would be utterly insignificant. There is not a chief liable to the suspicion of doubtful inclination, who is not surrounded by warlike States, bound in the strictest compact to us. The nullity of formal conditions, when opposed to strong impulses of forwardness or temptation, is not overlooked by me; but the feudatory States have become so, through their own solicitation, on terms principally offered by themselves, and from speculations of benefit which our Government has been active in realizing to them. There is nothing humiliating in the relation, since a paramount power in India has been for centuries a notion so familiar, that the existence of such an authority appears to the natives almost indispensable. This confederation of the feudatory States extends in an unbroken chain quite to the Indus. There is not in the vicinity of that river's left bank any tribe from which an invader could look to encouragement. On the contrary, the attempt of any secondary column to pass that river where its stream is united, and thereby to distract attention from the main body, which would hold a more northerly course, could not fail to experience serious and persevering obstruction from

Lord Hastings' Summary.

from an energetic people. I repeat, that I am not relying on the articles of a treaty : my confidence is in a clearly understood identity of permanent interest, for which no foreign Power could hold forth an equivalent. There is, however, in India a principle capable of superseding the most thorough conviction of interest, or even the strongest personal wishes. Certain acknowledged public obligations are held by the Native Princes so binding on what they call their "Hoonnut," or plighted honour to society, that no consideration can induce them to falter with the constructive pledge. Among these were the professed, though antiquated dependencies on the house of Timour. The sovereign of Oude was the nominal Vizier of the Mogul empire. It must be obvious that, should any European potentate aim at the subversion of the British establishment in India, it would not be with so absurdly extravagant a hope as the succeeding to a similar domination. To reduce Britain's strength by depriving her of such sinews as India affords, would be the purpose, and the projected course for effecting it would be the exciting some powerful sentiment in India against us. Perhaps the only pretence which any forecasting enemy can have imagined, likely to waken sensation, would be the restoration of efficient rule to the house of Timour. While such a war-cry would have been a call on the fealty of the sovereign of Oude, as professedly Vizier of the empire, the claim upon him would have had the additional force of an ostensibly Mahomedan cause. To break ties which might eventually be so injurious to us, appeared to me of the highest importance. Though Oude had not any army, since our subsidiary force supplies the place of one for the defence and interior regulation of the country, that territory required careful attention in a military view. The country contains six millions of inhabitants, every adult male of whom is provided with arms and habituated to the use of them. The force, howsoever irregular, capable to be thence in the rear of the army with which we were meeting the invader on the frontier, was a subject not to be revolved without anxiety. The knowledge of an insurrection behind them, to an extent which could not be ascertained, as our communication with the Lower Provinces would be precarious and interrupted, if not wholly cut off, would unavoidably agitate the minds and diminish the confidence of the advance troops. I had often ruminated on that chance. I thence eagerly availed myself of a mortification, which I could perceive the Nabob Vizier felt acutely, from its having occurred within my sight. Two brothers of the King of Delhi resided at Lucknow, supported by allowance granted partly by the Honourable Company, partly by the Nabob Vizier. Notwithstanding their partial dependence on the latter for subsistence, etiquette assigned to those Princes a decided pre-eminence ; insomuch, that when the Nabob Vizier met either of them in the street, it was incumbent that the elephant on which he was riding should be made to kneel, in token of homage. It was to an occasion of this sort that I have just alluded, I caught at the opportunity of saying to the Nabob Vizier, that to continue such demonstrations of inferiority must rest with himself alone ; for the British Government did not require the manifestation of such submission to the Delhi family, and had itself dropped those servile forms with which it had heretofore unbecomingly complied. Having reason to think that this instigation would work upon the Nabob Vizier's reflection, I directed the Resident to watch and encourage any apparent disposition in that Prince to emancipate himself. The mode which would naturally suggest itself to the Nabob Vizier, as being the only one sufficient to account satisfactorily to India at large for his rejection of future prostration to the house of Timour, was his assumption of the kingly title.

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It was likely that he would distantly sound the Resident on the subject; I therefore instructed the latter, that were any supposition of the sort hypothetically thrown out, he should seize it, and bring it immediately to a distinct understanding, intimating his persuasion that the British Government would readily recognize such a title, if assumed by the sovereign of Oude, provided it made no change in the relations and formularies between the two States, or altered the manner in which British subjects, permitted by our Government to visit Lucknow, had hitherto been received. The expected procedure soon took place. The sovereign of Oude's assumption of the title of king was treated by the court of Delhi with undisguised indignation. The offensive animadversions were keenly resented by the court of Lucknow, and an irreparable breach between the two Mahomedan States is avowed. Had it not been for this public separation, and the renunciation of all connexion, the sovereign of Oude might on some day have proved himself, contrary to his most earnest wish, involved in warfare against us, by the general sense of his nobles as well as by the prejudices of his people. While the hostility of the country would have had the inconvenience which I have already described, the character of the sovereign, admirable for uprightness, humanity, and mild elevation, would have bestowed colour on the adverse cause, and his treasures might have been efficaciously employed in the payment of troops assembled against us in other quarters. To have contributed towards parrying this contingency afforded me extraordinary satisfaction; for, at that period, there had not been sufficient lapse of time to prove that the new arrangements in Central India were so perfectly fixed, as to make all contemplation of extraneous hostility indifferent.

There is not now any inconvenience in exposing these details. Our internal domination is firm, from its standing on the surest of all basis, the conviction prevalent among the natives (with exceptions so few as not to weigh against the meaning of the general assertion), that their own comforts are inseparably interwoven with it. In the profession of this sentiment, no sovereign is more strenuous than the King of Oude. His sagacity would immediately have discovered, in our encouragement of the line he was disposed to take, any selfish design of misleading him into the sacrifice of his own solid interests for our advantage, and he would have quietly defeated the project. On the contrary, he felt that relations with the house of Timour must be as illusive, with regard to eventual support, as they were humiliating in their immediate accompaniments; and he justly comprehended, that he best consulted his dignity, as well as his direct gratification, by declaring his kingdom, as he has done in a letter to our sovereign, to be a spontaneously attached dependency on the British empire. This leaning to intimate union with us has been produced in the minds of the Native Princes by a plain and natural policy on our part. Heretofore we had been too prone to assume an air of superiority revolting to them. It was not the disposition of our functionaries in the Mofussil, as the parts beyond the city of Calcutta are termed; for in numerous instances the urbanity of the individuals counteracted the mischief of an erroneous system. A conception had been entertained by our Government, that reserved manners, and a tone of dictation would impress the natives with a wholesome notion of our power, and would bind them to unquestioning acquiescence in our will. There was, further, a confused opinion, that what is regarded in Europe as the law of nations was not pleadable by States in amity with us, still less by those in alliance, where considerations of ours suggested authoritating interposition, provided the interposition

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observed essential justice, a qualification very liable to mistake, when the essential justice was to be determined only by our view of the particular case. Undoubtedly, measures must be squared according to junctures, and to the habits of the society in which they are intended to operate; and it would be an unfair conclusion, that the facilities which presented themselves to me for the trial of a different principle existed at the dates to which I refer. Whatever were the causes of failure, the expectation of extensive influence over the natives had been disappointed. They had been subdued, but not conciliated. It was, therefore, desirable to see what might be done by abstaining from any conduct which could unnecessarily wound the pride of a chief, or disgust his followers. To extinguish the jealousy of the chief, by paying public respect to his station and upholding his authority, was to secure not his attachment alone, but that of his subjects, who felt their own pride trampled upon in his degradation. I therefore pointedly enjoined the strictest observance of polite and unassuming demeanour, on the part of our functionaries, towards those rulers, with courtesy to the better classes of the people and kindness of manner to the lower. Still more particularly, I directed that, unless where especial provision in a treaty had secured to us a right of intervention, no interference should be attempted with the ordinary course of Government in any State; that there should be even an affectation of avoiding to notice what was going forward in the interior administration of affairs, it being sure that, in cases of embarrassment, the Native Ruler would apply to the British Functionary, when he could do so without incurring in the eyes of his people the appearance of subjection. The expedience of that inculcation, as well as the generous alacrity with which it was obeyed, is evinced, by the singularly rapid subsidence of all Central India into complete tranquillity, after a convulsion which had terminated in such unprecedented alterations. I had, indeed, to reckon on the most energetic assistance in my views from both the Civil and Military Servants of the Honourable Company, because my plan was in exact consonance to their inclinations. Such a tone towards the natives was what the heart of each of them would have warmly prompted. I could not forgive myself, were I to let slip such an opportunity of rendering to the Honourable Company's Servants that testimony which they have proudly merited from me. No body of men, taken generally, can be more high-minded, more conscientiously zealous, or more rigidly intolerant of any turpitude among their fellows. With these fundamental good qualities, they naturally felt pleasure in indulging a benign and conciliatory address towards the natives. I had but to sanction the propensity, by declaring that Government comprehended its wisdom not less than its humanity. The effect from these measures has been of late so visible throughout the country, that no man will be found to doubt it, or to hesitate in saying whence it arises. Reckoning thus that it is the equity and amenity experienced from us by the natives which so sways their adherence, I cannot be wrong in representing the circumstance as creditable to British reputation. And the internal tranquillity, for the permanence of which such a style of intercourse is a satisfactory gage, assures to our country so unreserved a command over the resources of India, as will justify the statement, that augmented advantage to Britain has resulted from the recent transactions. The simple principle upon which I acted continued in full efficacy when I quitted India; and I cannot apprehend that, after such proofs of its beneficial consequences, it will ever be abandoned.

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As to myself, I can readily imagine that I may not have adequately improved openings which fortune presented; that I may not have achieved all the salutary purposes which the devoted gallantry of the troops at my disposal would have enabled me to secure; that I may not have attained ends profitable for the Honourable Company, with as little hazard or expenditure as would have attended their acquirement in hands more skilful. But it is not a claim of ability that I am maintaining: my engagement was to defend and promote, to the best of my capacity, the concerns with which I was entrusted. I have sought to shew, that in a crisis of unparalleled complication, extent, and difficulty, the exertion in which the fulfilment of my obligation consisted was not forborne. The issue will bear out my pretension; for the settlement of such a violently disturbed mass will never be referred to chance, but will be attributed to efforts which, howsoever they might be deficient in judiciousness, must have been anxiously pondered, consistent, and indefatigable.

(Signed) HASTINGS.

Aboard his Majesty's Ship, Glasgow,

5th April 1823.

APPENDIX A.

Sketch of the Extra Expenses occasioned by hostile Preparations, and the Prosecution of offensive Operations, during the last four official Years, i.e. from the Year 1814-15 to the Year 1817-18, appertaining exclusively to the Presidency of Bengal, viz.

1814-15.

War against Nepaul, first campaign, including the offensive position of Major-General Marshall's division.

The aggregate amount of war charges in the year 1814-15, including Commissariat disbursements and other incidental expenses was Sonaut Rupees 30,93,381. 9. 3

The above aggregate embraces, also, the disbursements on account of the following corps, subsequently disbanded, viz.

Lieutenant-Colonel W. L. Gardner's levies, consisting of Rohillahs' and Alli Gholes, levies raised under the orders of the Honourable E. Gardner.

Corps of Nujeebs and Mehwatties, raised by Mr. Hearsey.

Corps embodied under the orders of Major-General Sir David Ochterlony. Part only of these were disbanded, the remainder were retained, as the foundation of the four hill corps.

Troops raised by Miza Alli Beg. A corps of Nujeebs under Ameer Khan. Irregular Horse and Burkundauzes raised by the Rajah Gunshum Sing.

Ditto ditto raised by Shaik Oullah Alli Khan.

Two rissillahs of cavalry raised by the Resident at Lucknow.

The Year 1815-16—Second Campaign against Nepaul.

Amount of war charges, including commissariat extraordinaries and other incidental charges Sonaut Rupees 20,63,580. 10. 11

The above aggregate embraces also the expense incurred on account of the following corps, subsequently disbanded:

Irregulars, Rissillahs and Dokree Goorkas, under Major-General Sir David Ochterlony.

A Rissillah

APPENDIX A.
Sketch of
Extra Expenses,
occasioned by
Hostile
Preparations,
from 1814-15 to
1817-18.

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Sketch of Extra Expenses occasioned by Hostile Preparations, from 1814-15 to 1817-18.

A Rissillah of Irregular Cavalry under Bunkar Alli Khan.
Horse raised by Dalail Alli and Kusureem Khan, Zemindars, in the district of Shahabad.

Ditto ditto by Mr. Brooke at Benares.

Ditto ditto by Mr. Moorcroft at Poosah.

The Year 1816-17—Siege of Hattrass.

Amount of war charges, including commissariat extraordinaries and other incidental expenses Sonaut Rupees 3,18,915. 12. 10

The Year 1817-18—Offensive Operations against the Pindarries and Mahratta Chieftains.

Amount of war charges, including commissariat extraordinaries and every incidental expense Sonaut Rupees 34,34,874. 0. 9

(Signed) H. IMLACK,
Military Auditor-General.

APPENDIX B.

APPENDIX B.
Report from Major-General Ochterlony.

EXTRACT from the Report made by Major-General Sir David Ochterlony of the Tour which he had been directed to make through the Feudatory States in Meywar and Malwa.

“ I have only to add, that throughout my tour I have derived the most sincere gratification, from observing the prevalent tranquillity and increasing prosperity of the country. From the prince to the peasant, I have found every tongue eloquent in the expression of gratitude to the British Government for the blessings they enjoy. Discontent or oppression appear equally unknown, except at Oujein, and a few other places, in the immediate occupancy of Scindia's relations.”

Letter from Secretary to Government and Accountant-General.

My Lord : Calcutta, 26th November 1822.
In reply to your Lordship's letter of the 23d instant, we have the honour to submit the following statements.

1st. The joint receipt of the three Presidencies for the official year 1813-14, excluding items which did not arise out of Indian sources of revenue, amounted to Rupees 14,74,07,322.

2d. The receipt of 1821-22, restricted in the same manner, was Rupees 18,88,09,832.

3d. The registered debt, on the 30th April 1814, amounted to Rupees 21,31,92,502.

4th. The registered debt, on the 30th April 1821, amounted to Rupees 25,85,06,549.

5th. The average of annual supplies from India to England (beyond those from England to India) during the twenty years preceding 1813-14, amounted to Rupees 38,83,465.

6th. The average annual supply (similarly increased) from India to England, during the eight years from 30th April 1814 to 30th April 1822, amounted to Rupees 1,05,90,515.

7th. The cash balances of the three Presidencies, on the 30th April 1814, amounted to Rupees 4,80,67,149.

8th. The cash balance on the 30th April 1821 was Rupees 9,78,62,227.

Some of the charges of the past year not having been yet finally adjusted, the amount of the Bengal surplus cannot be precisely stated : but the revenues having

having amounted to Rupees 11,39,37,580, if we assume the charges at the sum anticipated in the regular estimate, *viz.* Rupees 9,08,04,785, the probable surplus may be calculated at Rupees 2,31,32,795.

It is proper to explain, that in extending the account of the supplies to England to the end of 1821-22, we have been obliged, in the absence of the Bombay accounts, to take an estimate the amount furnished from that Presidency in the past year. The average, however, of the past eight years in the general account of the three Presidencies can be little affected by any difference in the statements of estimated and actual disbursements at Bombay.

We have, &c.

(Signed) HOLT MACKENZIE,
Secretary to Government Revenue Department.

T. W. SHERER,
Accountant-General.

Lord Hastings'
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Letter from
Secretary
to Government.

To the Most Noble the Marquis of Hastings, K.G., &c. &c.

My Lord:

I am commanded by the Court of Directors of the East-India Company to acknowledge the receipt of the letter addressed to them by your Lordship from Gibraltar, on the 6th May last, accompanied with an "Exposition of the Operations in India, with their Results, from the 30th April 1814 to the 1st January 1823." I am instructed to add, that your Lordship is too well acquainted with the constitution of the East-India Company, to expect from the Court of Directors any opinion upon the contents of a communication, however valuable and important, having reference to public transactions, and made subsequently to your Lordship's resignation of the office of Governor-General.

I am, at the same time, to convey the Court's congratulations on your safe arrival in Europe, and to express their sincere wishes for the health and happiness of your Lordship and family.

I have, &c.

(Signed) J. DART,
Secretary.

East-India House,
19th June 1823.

Letter from
Mr. Secretary
Dart.

THE
MEMORIAL

OF
WILLIAM PALMER

OF
HYDERABAD,

IN THE TERRITORIES OF HIS HIGHNESS THE NIZAM,

IN THE EAST INDIES,

ON BEHALF OF HIMSELF AND HIS PARTNERS.

PRESENTED AT CALCUTTA, ON THE 12th MAY, 1824,

TO

THE RIGHT HONOURABLE LORD AMHERST,

GOVERNOR GENERAL, &c. &c.

TO

THE RIGHT HONOURABLE LORD AMHERST,

GOVERNOR GENERAL, &c.

THE MEMORIAL OF WILLIAM PALMER,

OF HYDERABAD, IN THE TERRITORIES OF THE NIZAM,

IN THE EAST INDIES,

ON BEHALF OF HIMSELF AND HIS PARTNERS,

SHEWETH,

1. THAT your Memorialist having been many years in the service of the Nizam, about the years 1810 and 1811, established, in conjunction with some other persons, a Banking and Commercial Concern at Hyderabad, under the firm of "William Palmer and Co."

2. That at the time of the formation of the said house, the rate of interest throughout the territories of the Nizam was arbitrary, but the ordinary rate was from three to four per cent., and in some instances as high as six per cent. per mensem.

3. That the object held out to the public, by your Memorialist and his partners, on the formation of the house, was to lower the rate of interest to two per cent. per mensem, an object which the firm more than fulfilled, and the beneficial results of which have been sensibly felt, and universally admitted, by all who were acquainted with the affairs of the Nizam, at the period the house was established. It has been also admitted by the constituted authorities of the Nizam's government, and even by the former Resident of the East India Company at the court of the Nizam.

4. In the beginning of the year 1814 a new partnership was formed, under the same firm of "William Palmer and Co.," previous to which time the Government of the Nizam had received from the establishment of your Memorialist, in their business of bankers, frequent advances required for the exigencies of the state, at the rate of two per cent. per mensem, although, prior to the establishment of your Memorialist's house, the Government was

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unable to raise money on loan to any considerable amount, and were frequently driven to the necessity of issuing bills on which they could not procure money, excepting on heavy discounts from three to five per cent., an inconvenience to which they were never subjected after the formation of the house of "William Palmer and Co."

5. On the 30th of March, 1814, Messrs. William Palmer and Co. addressed a letter of that date to Mr. Russell, the then Resident of the Honourable East India Company at Hyderabad, of which the paper, marked No. 1., contained in the Appendix, which your Memorialist has added, for the sake of perspicuity and correctness, to this Memorial, is a true copy.

6. That letter contains the objects which your Memorialist and his partners had in view, on their establishment of the new firm, and in their application to the Honourable East India Company for their sanction and approbation.

7. The advantages held out to the public and to the British Government, in that letter, have been fully answered. The house of your Memorialist having been the means of introducing, into central India, British manufactures in very considerable quantities, and to a much larger amount, than any other establishment in the East Indies.

8. Messrs. William Palmer and Co. received from Mr. Russell, a favorable answer to their application of the 30th March, enclosing the copy of a letter from Mr. Secretary Adam, under date the 22d April, 1814, a copy of whose letter, marked No. 2, is also contained in the Appendix.

9. At this period, several British subjects were members of the firm of William Palmer and Co., as was well known to the Supreme Government, and doubts having arisen how far such British subjects might be affected by the provisions contained in the statute 37 Geo. 3. c. 142, the said house addressed through Mr. Russell, a Memorial to the Supreme Government, for a licence to authorise their engaging in pecuniary dealings with the Nizam's Government.

10. The consent of the Government was accorded, and Messrs. William Palmer and Co. were authorised to do the several acts, from which British subjects were restrained by the 37 Geo. 3. c. 142. s. 28, by licence under the seal of the Company, and the signature of the Governor General and members in Council; with no other restriction or condition imposed on them, than that the said firm of Messrs. William Palmer and Co. should at all times, "when required so to do," by the British Resident at Hyderabad for the time being, communicate to the said Resident the nature and objects of their transactions with the Government, or the subjects of His Highness the Nizam. The correspondence on this subject is contained in No. 3, in the Appendix.

11. From the time of the last communication until the year 1819, the House of Messrs. William Palmer and Co. continued to conduct their banking and commercial concerns on the principles heretofore contained and alluded to. And your Memorialist will venture to say, that in each branch, advantages fully equal to those held out by the house and recognized by the Government, were derived by the public and the British Government.

12. British manufactures were introduced into Hyderabad during those years to an amount of from fifteen to twenty lacs of rupees; whilst the ordinary rate of interest of money was diminished to two per cent. per mensem, and less occasionally was charged by your Memorialist and his partners.

13. During this period no complaints were made against the conduct of the said house by the British Resident, or any other persons.

14. The acts of the house were at all times open and notorious, and the members of the house, on all occasions were perfectly ready to give any information which might be required by the Supreme Government, or their Resident at Hyderabad, respecting any transactions connected with their business, in which your Memorialist and his partners had no motive for concealment.

15. Prior to the year 1818, Captain Sydenham, who was at that time the Honourable East India Company's diplomatic agent at Aurungabad, had suggested to your Memorialist the establishment of a banking house at Aurungabad, for securing the regular payment of the troops of the Nizam stationed there under English officers. Their pay had been extremely irregular, and with a view to their future pay being effected through the medium of your Memorialist's banking house, this suggestion was made by Captain Sydenham. It was declined by your Memorialist, excepting such proposed plan could be carried into execution, with the sanction of the Supreme Government.

16. About a year subsequent to this, Mr. Russell, in a private interview, made a similar suggestion, and expressing an opinion that the proposal of Captain Sydenham, if carried into effect, would be productive of advantage to the Honourable Company, directed your Memorialist to submit to him a plan for the establishment of a house of business at Aurungabad.

17. Your Memorialist accordingly forwarded to Mr. Russell the plan, of which a copy is inserted in the Appendix, marked No. 4, which being subsequently modified, and translated into Persian, according to the translation contained in the same number of the Appendix, was highly approved of by Mr. Russell, as appears by his three several notes, addressed to your Memorialist on the subject, copies of which are also inserted in No. 4. of the Appendix.

18. The above plan was subsequently submitted to the Supreme Government, as your Memorialist was informed, by Mr. Russell, and met with their approbation.

19. If the testimony of the Minister, in favour of the house of Messrs. William Palmer and Co. were permitted to have any weight on your Lordship's mind, he could testify that, in the first instance, a considerable loss occurred to your Memorialist and his partners, in the establishment of the house at Aurungabad, and that the conduct of Messrs. William Palmer and Co., on more than one occasion, has been the opposite of any thing rapacious or over-reaching.

20. In the year 1819, further inquiries, respecting the Aurungabad concern, were deemed necessary by the Supreme Government; and by the correspondence which took place on that occasion, copies of which are contained in the Appendix, No. 5, and the original agreement for the formation of the establishment, it will distinctly appear, that they were fully cognizant of the plan on which the house was conducted, the terms on which the business of the Nizam's Government was transacted, and every circumstance connected with the conduct of Messrs. William Palmer and Co. in that transaction.

21. Towards the close of the year 1819, overtures were made by the Minister at Hyderabad, to the house of Messrs. William Palmer and Co., for a loan to the Nizam's Government of sixty lacs of rupees, to be repaid in six years; after some discussion Messrs. William Palmer and Co. agreed to make the loan, subject to the sanction and approval of the Supreme Government.

22. The exigencies of the Nizam's Government required immediate advances, and it was urged that their ultimate wants would be considerably diminished by such advances being made.

23. Reliance was placed by your Memorialist and his partners on the sanction of the Supreme Government being obtained, and they were therefore willing, if possible, to make the advance; but as recourse to the native bankers, and the constituents of Messrs. William Palmer and Co. was necessary to enable them to procure the funds required, without their being able to offer more than their own personal security and credit in the first instance, great sacrifices were necessarily anticipated. Of this the Minister was fully aware, and undertook to make good to Messrs. William Palmer and Co. all losses which they might sustain thereby.

24. The first proposal was to grant such a rate of interest as should secure to Messrs. William Palmer and Co. the means of raising the amount, without loss to them, and the Minister proposed to grant 2 per cent. per mensem as such interest.

25. It was subsequently considered that the loan might, through unforeseen events, remain unpaid at the expiration of six years; and as the object of the Minister, in which he had ever been upheld by Messrs. William Palmer and Co., was to reduce the rate of interest ordinarily paid through the Nizam's dominions, he ultimately determined to avoid entailing upon the country the possibility of having so great a burthen lastingly thrown upon it; and rather, to grant such a bonus to Messrs. William Palmer and Co. as should secure them from loss, whilst in case of the anticipated period of redemption not being lengthened, some benefit would result to the Nizam. A calculation on this basis was made, and a sum of eight lacs was agreed on as answering such purpose.

26. On the 18th May, 1820, Mr. Russell wrote to Messrs. William Palmer and Co. to know the nature and extent of the sanction that was required by them from the Resident. No reference was made to them for information upon any other part of their terms, and their letter, in reply, went merely to the point of information required.

27. As it referred incidentally to part of the terms of the loan, namely, assignments to be held by Messrs. William Palmer and Co., and no explanation was subsequently required, it may be inferred that the Supreme Government by no means desired to know the detail of the transaction.

28. By a dispatch under date the 15th July, 1820, the Supreme Government gave their sanction to the loan; and as the question of interest has, at a subsequent period, become the ground of discussion between the Supreme Government and Messrs. William Palmer and Co., it may be permitted to your Memorialist to observe, that by a reference to that dispatch it will appear, that as the Supreme Government understood that annual payments of sixteen lacs of rupees would discharge the interest, and pay off the principal of the loan within six years, they must have known, that the interest payable on the loan at least exceeded sixteen per cent. per annum.

29. That they were aware of the interest exceeding that sum is an incontrovertible fact; and it cannot be disputed for a moment, that the members of the Supreme Government were to the fullest extent aware that the firm of Messrs. William Palmer and Co., at Hyderabad, were composed in part of European gentlemen, subjects of Great Britain. The correspondence relative to the above sanction is contained in the Appendix, marked No. 6.

30. By the correspondence it will appear, that the protection and influence of the British Resident was expressly asked in favour of Messrs. William Palmer and Co.'s claims, arising out of that loan, the sanction of the Government was obtained, and such protection and influence therefore promised.

31. If the conduct of Messrs. William Palmer and Co., composed of such persons as above-mentioned, were illegal, as it has since been contended, it is

at least evident that the illegality of their measures was not very glaring, or it is difficult to believe that the protection and influence of the Supreme Government would have been granted for their support.

32. By a letter, dated 1st January, 1821, from Mr. Metcalfe, who had been appointed the Company's Resident at Hyderabad in lieu of Mr. Russell, the house of Messrs. William Palmer and Co. were prohibited from entering into any further pecuniary transactions with the Nizam's Government, and the license of the Supreme Government, dated the 23rd July, 1816, was cancelled as to any future purpose.

33. In the same letter it was intimated to Messrs. William Palmer and Co. that any attempt on their part, in controversion of that notice, would be proceeded against as a heavy offence. Mr. Metcalfe's letter, containing this intimation, was unaccompanied by any communication from the Minister, or any other person on the part of the Government of the Nizam.

34. Neither in this, nor in any other communication with the Resident at that time was any doubt thrown on the validity or legality of their transactions relative to the loan of sixty lacs of rupees, or their arrangements at Aurungabad. On the contrary, Mr. Metcalfe's letter seems to contain an express recognition of their proceedings in both those instances; a copy of such letter, with the answer of Messrs. William Palmer and Co., and a further letter from the Supreme Government, on the same subject, is contained in the Appendix, marked No. 7. From the latter it will appear, that up to the 10th February, 1821, on which it bears date, no imputation could justly be cast on the conduct of Messrs. William Palmer and Co., whilst the benefits derived from their house to the country are in that letter most fully and unequivocally acknowledged.

35. On the 19th March, 1821, a letter, of which a copy is contained in the Appendix, No. 8, was received by Messrs. William Palmer and Co. from Mr. Metcalfe, by which they were informed of the probability of the Resident proposing to the Nizam a plan for paying off the debts of the Government; and as he alleges his object to have been to reduce the interest of the public debt of the Nizam, in which he states your Memorialist and his partners to be deeply and principally concerned, it can hardly be supposed that he was then ignorant of the amount of the interest, which has since been stigmatized as exorbitant and illegal, but which he did not think of characterising as such, at that time.

36. As Messrs. William Palmer and Co. had made arrangements on the ground of their debt being liquidated in a period of not less than six years, for which term their loan had been advanced, this plan was calculated to be most ruinous in its consequences to the house, as in fact it has proved in the result.

37. Messrs. William Palmer and Co. replied to Mr. Metcalfe in the terms of a letter, of which a copy is also contained in the Appendix, No. 8.

38. On the 24th June, 1822, Mr. Metcalfe forwarded to Messrs. William Palmer and Co., an extract of a dispatch from the Governor General in council, contained in the Appendix, marked No. 9, by which the arrangement for the payment of the troops at Aurungabad, was by the desire of the Honourable the Court of Directors put an end to, and Messrs. William Palmer and Co. were desired to bring the transactions alluded to in their letter of the 15th January, 1821, to a speedy arrangement, their answer is also contained in the same number of the Appendix.

39. On the 4th October, 1822, Messrs. William Palmer and Co. received a letter from Mr. Metcalfe, inclosing extracts from a dispatch from the Secretary

to Government, dated 13th September, 1822, which imputes to the house extensive pecuniary dealings with the Nizam's Government unknown to the Resident, or British Government, whilst the house professed to make an unreserved disclosure of all such transactions. With regard to the loan of sixty lacs, suspicion is entertained as stated in that dispatch, from the state of the accounts, of a culpable misapplication of the funds assigned for its payment. A bonus of eight lacs, received by Messrs. William Palmer and Co. upon the loan according to the terms of their agreement with the Minister, is considered highly reprehensible, and the assumed concealment, whilst they were professing to put the Government in possession of the details, is stated to admit of no palliation. Allowances made to your Memorialist and Mr. Hastings Palmer, and stipends to the children of the former, are strongly reprehended.

40. The assumption contained in that letter, that those persons are unconnected with the Government and the service of the Nizam, is far from correct. Your Memorialist had been actively employed in the military service of the Nizam for eleven or twelve years prior to the establishment of the house, and occasionally subsequent to such establishment. In such employment he had not only received the marked approbation of the Nizam, but also that of the Supreme Government, whilst administered by Lord Minto.

41. These allowances, which were in fact pensions founded on the services of your Memorialist to the Nizam, were treated as premiums on the loan, or as attributable to the exercise of an influence over the Minister, acquired by means of these pecuniary obligations: although the pensions were all granted prior to the loan, that to your Memorialist, prior to the formation of the first house, and that to Mr. Hastings Palmer, prior to the establishment of the firm founded in 1814. The above letter of the Supreme Government, and the reply of Messrs. William Palmer and Co., and their vindication of their conduct will be found in the Appendix, No. 10.

42. From a letter of the 30th November, 1822, from the Resident to the house of Messrs. William Palmer and Co., it appears, they were suspected of exercising an influence over the Minister, and of fostering complaints to the Supreme Government on behalf of the Minister, against the conduct of the Resident.

43. Of such a charge all the members of the house of Messrs. William Palmer and Co. are wholly innocent. Neither the house nor any of the members of it possessed any such influence, or if they had, they would not have exerted it, for such a purpose. Your Memorialist under circumstances which are fully detailed and explained in the reply of Messrs. William Palmer and Co. to the above letter, on one occasion forwarded a sealed letter from the Nizam's Minister to the Marquis of Hastings as Governor General; which, as your Memorialist has been informed, contained copies of documents addressed and sent by the Minister to the Resident. The above letter and the reply of Messrs. William Palmer and Co. appear in the Appendix, marked No. 11.

44. In a letter from the Resident of the 13th December, 1822, Messrs. William Palmer and Co. were directed to furnish accounts in detail from the commencement of the house, under any denomination, with the Minister, and of all loans made to the Nizam's officers on the Minister's guarantee.

45. Having obtained the permission of the Minister, Messrs. William Palmer and Co. by a letter of the 17th of the same month, intimated their intention to comply with such requisition, at the same time complaining of the extreme hardship of such an interference with their concerns, and deprecating the evil consequences which must ensue to their prospects, from such an

unusual exposure of the accounts of a banking establishment. Mr. Metcalfe's letter and the reply will appear in the Appendix, marked No. 12.

46. On the 5th February, 1823, Messrs. William Palmer and Co. received a letter from the Resident stating that their objections to the production of their accounts were inadmissible, and they were directed to produce them, with such explanations as might be required of the items. Their compliance was stated to be the indispensable condition of the interference of the Government for the adjustment of the accounts and of their future countenance in commercial dealings. The accounts were furnished without any avoidable delay by Messrs. William Palmer and Co., and were ultimately concluded and forwarded through the Resident on 22d April, 1823. But your Memorialist regrets to state, that whilst he and his partners have risked the credit and stability of their house, by a compliance with the requisition of the Supreme Government, the interference which they contemplated for the adjustment of their accounts, and the countenance to which they looked forward, has not only been withheld, but your Memorialist and his partners have subsequently been prohibited from making use of the only means they possess for the recovery of their demands. The letter of the 5th February, together with a subsequent one of the 17th, containing a second remonstrance from Messrs. William Palmer and Co. on the subject of the accounts, are also contained in the Appendix, No. 12.

47. On the 10th February, Messrs. William Palmer and Co. received from the Resident a letter by which all intercourse between the members of the firm and the Nizam's Minister, personal or written, direct or indirect, except through the channel of the British Resident, was for the future prohibited; and in the same letter they were informed, that the Resident would be happy to receive any communications that it might be proper for Messrs. William Palmer and Co. to make to His Highness's Government, and that he trusted they would find that due attention was paid to their just claims and interest. This interdiction will be found, with the reply to the letter in which it was contained, in the Appendix, marked No. 13.

48. As a native of India, your Memorialist, as well as some of his partners, could not be legally bound by such an interdiction; but your Memorialist, in deference to the Supreme Government, felt every disposition to comply with every direction of the British Resident, and could not but feel that his opposition to such direction might be prejudicial to the interests of the Minister, and under the influence exercised by the Supreme Government, could not be beneficial to himself, he was the more disposed to yield obedience to those orders, from an assurance derived from the letter in which the interdiction was contained, that his rights and interests would be guarded, through the British Resident.

49. All the members of the firm acquiesced in the directions contained in the letter of the Resident, and from thenceforward all communication between them ceased.

50. On the 20th February, 1823, the Resident was pleased to express in his letter of that date, that no injury to the establishment of Messrs. William Palmer and Co. was intended or desired by the British Government, or its local representative. However foreign to the wishes of the British Government, or of its local representative, such a result might be, the consequences arising from such an interdiction, were not only likely to be most serious, but in point of fact have ultimately proved so.

51. They were very soon compelled to call upon the British Residency for assistance, in averting some of the immediate results arising from the interdiction, in consequence of the calls made upon them by their constituents for the repayment of funds called in, from the apprehensions the interdiction excited. At the same time that such assistance was requested, renewed remonstrances were made on the subject of the accounts which they were ordered to furnish.

52. Under these circumstances the several letters under date the 5th March, 1823, contained in the Appendix, No. 14, were addressed to Sir Charles Metcalfe.

53. On the 6th March, 1823, Messrs. William Palmer and Co. forwarded their usual half-yearly account with the Government, for Aurungabad, to Lieutenant Barnett, the acting Resident, for the Minister's signature, according to custom.

54. Explanation of an item was required by the Minister, through Mr. Barnett, furnished by Messrs. William Palmer and Co. but the accounts were not returned to them, as they had been on former occasions.

55. On the 8th March, 1823, Messrs. William Palmer and Co. sent the accounts of the Aurungabad house from their commencement, according to the requisition of the Supreme Government to Sir Charles Metcalfe, on which and other accounts they furnished all the required explanation, to the extent of their knowledge.

56. On the 26th March, 1823, Messrs. William Palmer and Co. stated to Lieutenant Barnett a pressing exigency for money to the amount of five lacs of rupees. In Lieutenant Barnett's reply of the same date, he mentions, that he had authority to give Messrs. William Palmer and Co. money, but that he was unacquainted with any alarm existing in the Hyderabad market.

57. He had in fact prevented this alarm which was spreading widely, from becoming general, by communicating to the Soucars or native bankers, that Messrs. William Palmer and Co. were about to be paid by Government.

58. On the 27th March, 1823, Messrs. William Palmer and Co. requested the assistance of four lacs from Lieutenant Barnett, and in that letter alluded to his communications to the Soucars before-mentioned, as having allayed a very general alarm.

59. Messrs. William Palmer and Co. pointed out to him that they still had no credit in the market,—that all their remittances were absorbed in transfers,—and that they had distinctly traced some of the demands for entire balances from the constituents, to the apprehension of the parties, and to the alarm of the money market.

60. On the 14th of April, 1823, Messrs. William Palmer and Co. received a letter of that date from Sir Charles Metcalfe, enclosing extracts of a dispatch from the Secretary to Government, dated 21st March, 1823; it contains comments upon the complaints by Messrs. William Palmer and Co. on the restriction imposed upon them, and is inserted in the Appendix, No. 15.

61. On the 15th April, 1823, your Memorialist forwarded to Sir Charles Metcalfe the accounts of the former house, under his individual signature.

62. On the 21st April, 1823, Sir Charles Metcalfe, by letter of that date, required to know whether your Memorialist had dealings with the Government alone, or in conjunction with colleagues, and in the latter case, who were your Memorialist's partners.

63. In answer, your Memorialist stated, that no partner of the then house of Messrs. William Palmer and Co. with the exception of Bunkutty Dos, was concerned in those dealings, and in a subsequent correspondence availed himself of the option given by the Supreme Government in a letter of Sir Charles Metcalfe's of 14th of February preceding, to decline giving further information on that point.

64. As the period to which the accounts related was anterior to the sanction applied for and obtained from the Supreme Government, your Memorialist

felt that he was fully justified even upon the grounds on which a right to information from him was claimed in the dispatch of the 21st of March, in withholding any information as to the persons previously connected with him in business, which might be injurious to them. As he furnished, without concealment, the whole of the accounts and every matter relating to them, he declined the implication of his former partners, out of consideration for them, but without the slightest personal disinclination on his own account to give the information required. The correspondence on this subject will be found in the Appendix, No. 16.

65. It would be proper, perhaps, here to advert to somewhat similar calls which were made on your Memorialist and his partners at a former period.

66. On the 22d April, 1823, a set of queries were transmitted by the Resident to your Memorialist, to Sir William Rumbold, to Mr. Lamb, and to Mr. Hastings Palmer, to each of which queries explicit answers were required. At the same time, a set of queries of similar import were submitted to Mr. Sotheby, who at a former period had participated in the profits of the house.

67. Your Memorialist from the same motives of delicacy towards those concerned with him declined answering, Mr. Hastings Palmer adopted the same line. Mr. Lamb answered, as the fact was, that none of the persons named in the queries had been concerned in the house since he became a partner.

68. In reply to the letter of the 14th February, 1823, Sir William Rumbold had replied, that as to the disclosure of the matter connected with the interests of the house of Messrs. William Palmer and Co. that the affidavit, which had produced that communication, was never intended by him to form a public document, or to be submitted to the consideration of the Supreme Government, but that the same was drawn and transmitted to Lord Hastings, for the purpose of removing from his Lordship's mind certain doubts which he professed to entertain, or was likely to entertain respecting a particular individual alluded to in a private letter, which he had received from his Lordship, that he was not apprised by his Lordship that the affidavit was to be brought to the notice of the Supreme Government, and supposing that a private letter which accompanied the affidavit to Lord Hastings was also deposited by his Lordship, with the affidavit he received, referred the Supreme Government for further information to that letter.

69. With the queries of the 22d April, 1823, he was required to transmit a copy of that letter, but subsequently finding that such letter had not been so deposited, he declined compliance with the request of the Supreme Government, to furnish them with a copy of that which he had considered, and the Marquis of Hastings had treated as a private communication. The queries he answered as to all matters within his knowledge.

70. Your Memorialist must further observe, that Mr. Sotheby, before whom the affidavit was sworn, was in no degree privy to or consulted upon the contents of the affidavit, nor did he ever see it until the period when in his official capacity of acting Resident he was called upon to administer the oath, being the only person competent to act.

71. Mr. Sotheby stated fully, and explicitly, all the communication he had had with the house of Messrs. William Palmer and Co.

72. The affidavit alluded to in these letters was occasioned under the circumstances mentioned in Sir William Rumbold's letter in reply to Sir Charles Metcalfe's of the 14th February. And your Memorialist does not seek to disguise from your Lordship, that, as the affidavit required, was only applied

for, for the purpose of clearing a particular individual, your Memorialist and Sir William Rumbold were anxious, that whilst it stated the fact relating to him, it should be purposely framed, in such a manner, as not to implicate those whose conduct was not then under discussion. The queries with the several answers and the correspondence on the subject are contained in the Appendix, No. 17.

73. Your Memorialist of course cannot be correctly informed of any arrangement between the Supreme Government, and that of the Nizam, but he has been led to understand that some negotiation took place, by which the Nizam agreed to abandon the tribute of seven lacs per annum, which had been for many years paid by it to the Nizam, upon an undertaking on the part of the Supreme Government to discharge his Highness's debts.

74. Your Memorialist and his partners were more disposed to credit this information, because from the period when the house was interdicted from any communication with the Minister, the correspondence of the Resident and the house of Messrs. William Palmer and Co. on the subject of the debts due from the Nizam's Government to that house, assumed on the part of the Resident the appearance of a correspondence between principals, rather than one conducted on his part as an agent for one party, or as the medium of communication between two contending parties.

75. The tone adopted by the Resident, naturally led to the house of Messrs. William Palmer and Co. in some degree treating him consistently with the character in which he acted as principal, rather than as agent, and in consequence they looked to him, and to the Supreme Government for the payment of all sums of money, which in justice and honor were due to Messrs. William Palmer and Co.

76. The Resident having made advances to Messrs. William Palmer and Co. on account of their demands beyond the amount already noticed, Messrs. William Palmer and Co. applied on the 6th of May to the Assistant-Resident, Lieutenant Barnett, in the absence of Sir Charles Metcalfe, for further advances.

77. In reply from Lieutenant Barnett on the 7th, they received a letter enclosing a dispatch from Sir Charles Metcalfe, dated the 1st of May, in which he stated that he had instructed his first Assistant, Lieutenant Barnett, to pay into their hands the remaining balance of the Aurungabad concern, and to bring that account to a close, taking credit in the same account on the part of the Nizam's Government for the account already advanced to Messrs. William Palmer and Co. from the Residency Treasury.

78. No further reference than what is above-mentioned was made in the dispatch of Sir Charles Metcalfe to the Minister, or the Nizam, who were in fact the real debtors, nor in the settlement of accounts was any discharge required to the Nizam's Government from Messrs. William Palmer and Co. Receipts were merely given to the Residency Treasury, as the payments were made. The correspondence contained in the Appendix, No. 18, fully bears out the statements advanced by your Memorialist on this subject.

79. Messrs. William Palmer and Co. received payment of their Aurungabad balances, in pursuance of the above-mentioned dispatch of Sir Charles Metcalfe's.

80. On the 6th June, 1823, Messrs. William Palmer and Co. were directed to carry ten lacs of rupees, a farther advance from the Residency Treasury, on their general claim, to the account bearing the highest interest.

81. On the 18th June, a further advance of ten lacs was also, by the desire of the Resident, carried to the like account. Thus paying and discharging

demands of the house, which were known by the Resident and the Supreme Government, to bear an interest of twenty-four per cent. per annum. The letters containing these directions are inserted in the Appendix, No. 19.

82. The pensions to your Memorialist and his family, as they became due, were paid in the ordinary course of their business, by Messrs. William Palmer and Co. under the express authority of the Minister, and the amount debited to his account, which your Lordship must be aware was in fact, though kept in his name, the account of the Government.

83. The account bearing the highest interest, and to which the advances were carried by the direction of Sir Charles Metcalfe, was that which contained the payment to your Memorialist, for the above pensions, and had been submitted as before-mentioned to the Resident.

84. The last advance of ten lacs closed this account, and liquidated the claims of Messrs. William Palmer and Co. which bore the highest rate of interest.

85. Although the Resident had thus recognised and adjusted that account with the full knowledge of the items of which it consisted, your Memorialist was surprised to find, at a subsequent period, that the payments made for a series of years, on account of pensions granted to him and his family, for services performed by him, were not to be liquidated.

86. On the 1st July, the Resident advised Messrs. William Palmer and Co. that he was ready to commence payment of the bulk of their balances, with the reservation of some unexplained and doubtful items.

87. They requested that he would not force upon them the immediate receipt of more than twenty lacs, being under engagements to their constituents to a very considerable amount, and being desirous of obtaining time to communicate with them, so as to avoid the ruinous consequences of the precipitate payment of a large sum, which they had originally advanced for a period of six years, of which two only, or a little more, had expired.

88. This request was refused by Sir Charles Metcalfe, on the ground of delay occasioned by the house in furnishing the accounts, and explanations. Considering the period over which the accounts extend (about twelve years), and their voluminous nature, your Memorialist cannot conceive that much delay can justly be attributed to the house, who furnished the whole in about four months from the time they were first required. Their best exertions were used to expedite them, even while their remonstrances were before the Government, and they are not conscious of having withheld, or delayed any information in their power respecting them. The orders, however, of the Supreme Government, were necessarily to be obeyed by Sir Charles Metcalfe, and Messrs. William Palmer and Co. were required to accept the immediate payment of forty lacs of rupees. The Appendix marked No. 20, contains the letters on this subject.

89. On the 8th July, 1823, by a letter of that date, the Resident informed Messrs. William Palmer and Co. that the allowances heretofore received by Mr. William Palmer in his own name, and the names of his children, and those received by Mr. Hastings Palmer, had been discontinued and revoked, the same not having *been sanctioned* by the Honourable the Governor-General in Council.

90. For a period of nearly twenty-four years, during which your Memorialist had served and been connected with the Government of the Nizam, his services to that Government, to which he was originally introduced and recommended by Colonel Kirkpatrick, who was then the Resident at the Court of the Nizam, had never been disputed.

91. His own pensions, as they are considered, were granted to him for services in the field, performed under that introduction and sanction, in the time of former Ministers, and were in fact but a continuance of the salary upon the reduction of the troops which he commanded, to which his military situation entitled him in common with all who served the Nizam.

92. That these were not granted from any peculiar favour to your Memorialist, is capable of easy proof, by a reference to the offices of the Nizam's Government, where many persons' names will be found, who are placed in a similar situation, of receiving a salary, continued to them upon the reduction of troops under their command; who are in no degree suspected of possessing extraordinary, and some of them, of possessing any influence with the Nizam's Government.

93. They, in common with your Memorialist, on the reduction of the troops, lost the emoluments of their commands, but as a British officer retires on half pay, so they and your Memorialist, according to the custom of the Nizam's Government, were suffered to draw their personal salary.

94. The emoluments of your Memorialist, when in command of the troops, under his orders, amounted to about 6000 rupees per mensem, exclusive of his salary (he actually drew for 30,000) and he received no more, when his troops were disbanded, or before, than any other individual would have done under similar circumstances, except that in consideration of his services he received on the disbanding his troops, a sum of money as a remuneration and compensation for the loss of his contract, which he had entered into for their supply.

95. To ascribe the grant of the salaries of your Memorialist and his brother, to corruption, and to consider them as covers for enormous interest, is, your Memorialist submits, wholly unfounded in fact or in reason.

96. At the time your Memorialist first received his pension, after his troops were disbanded, the Government of the Nizam and the Minister, did not, nor did they, till long afterwards, owe one rupee to your Memorialist, nor was your Memorialist in a situation to lend one, excepting from what he received at the moment from the Country of that Government.

97. When Mr. Hastings Palmer first received his, he was not a partner in the house. He certainly received it through the influence of your Memorialist, who had recently been employed in a temporary military command, and situation of difficulty, though subsequent to the disbanding his troops, upon which he had received no extra allowance, though his services were equally admitted and approved by the British Government, and that of the Nizam.

98. The grant of such a pension had nothing extraordinary in it. Under the Government of the Nizam, in lieu of soliciting employments (other than military), those who are anxious to provide for their relatives, solicit grants. The more favoured, received Jaghires, the less, pensions, to which the same consequence is not attached; and at the time your Memorialist obtained the pension for his brother, the late firm in which Sir William Rumbold was a partner, was not established; and the house was in its infancy, when its dealings were very different from what they have since become, and their transactions with the Minister extremely limited.

99. The pensions granted to your Memorialist's children were granted at a much later period, after several long and approved services, many of a military and some of a civil nature, done by your Memorialist to the Nizam, with the approbation of the British Resident, and at a period when the Minister conceived your Memorialist had recently rendered a most important service to the Nizam's Government.

100. Not only pensions of the nature of that enjoyed by your Memorialist and his family, but the purest gratuities are commonly given by the Nizam, the Government of Onde, and other Native Governments, many of which pensions are held by British subjects, and some by the Company's servants.

101. No intimation previous to that of Sir Charles Metcalfe had ever been made to him, that the remotest intention existed in the mind of the Minister, of discontinuing that which your Memorialist considered as his pay, and he could not but be surprised, that his pension under these circumstances should not have met with the sanction of the Supreme Government, although your Memorialist could have previously entertained no reason to suppose that such a sanction was requisite.

102. He had, however, only to bow to the decision of the Minister, founded on this want of sanction, and without either murmur or observation, he merely transmitted an account of the arrears due to him from the date on which he had been paid by the house of Messrs. William Palmer and Co. to the period of Sir Charles Metcalfe's communication, and as your Memorialist was interdicted from any personal communication with the Minister, solicited the Resident to obtain payment of them from the Nizam's Government.

103. To this demand your Memorialist, although living in the immediate vicinity of the Resident, and Minister, received no reply until the 25th of August, when Messrs. William Palmer and Co. received from Sir Charles Metcalfe the following letter, being the only answer your Memorialist has ever received to his request to Sir Charles Metcalfe—"I am directed by the Governor General in Council, to intimate to you that the bonus of eight lacs, with its accumulated interest forming a part of your account with the Nizam's Minister, bearing interest at $1\frac{1}{2}$ per cent. per mensem, and the charges on account of pensions and salaries to the Palmer family, with the interest thereon, forming a part of your account with the Nizam's Minister, cannot be recognized as forming a part of the debt which the British Government has undertaken to discharge, and that the British Government will not interest itself in any manner for the liquidation of those demands, nor will any payment be allowed in future on account of them."

2nd. "The remaining balance of your account will be adjusted on receiving from you the requisite calculations and statements."

3rd. "The resolution regarding the allowances to the Palmer family, embrace the period for which arrears have been claimed." (The rest of the correspondence contained on this subject will be found in the Appendix, marked No. 21.)

104. It may not be improper here to observe, that during one part of that period, for which payments were made by Messrs. William Palmer and Co. of your Memorialist's salary, (which salary was struck out of their account,) your Memorialist was actually called into active service, as a military man, by the Nizam and the British Government.

105. In the year 1812, a mutiny broke out in a corps of the Nizam's, commanded by Major or Mr. Gordon, an officer formerly in the King of England's service.

106. Your Memorialist was employed on that occasion both in negotiating with the mutineers, who had taken up a position in hostility to the subsidiary force, under the command of Colonel Scott and General Conran, and also received the command of the Nizam's cavalry under those officers, and acted as President of a General Court Martial, with several British officers in the service of the Nizam, by whom sentences of death, in four instances, were passed and carried into execution.

107. That on this occasion, his services were not considered as merely nominal, the letter of Mr. Adam, then Secretary to the Supreme Government, inserted in the Appendix, No. 22, will sufficiently prove.

108. It was shortly after this service that your Memorialist obtained the pension bestowed by the Nizam on Mr. Hastings Palmer.

109. At a subsequent period your Memorialist received a discretionary commission from the Nizam, by the desire of the British Resident, to supersede Captain Beckett in the command of the Russell Brigade.

110. The obedience of that officer, however, to the commands of the Nizam, compelled by the production of the commission of your Memorialist, rendered it unnecessary for your Memorialist to act upon it. Had he done so, it would have placed him in command of British officers, in the service of the Honourable Company.

111. Your Memorialist's services have already been so fully detailed in a letter from the house of Messrs. William Palmer and Co. addressed to Sir Charles Metcalfe, on the 17th day of November, 1823, and forwarded to your Lordship in Council, that your Memorialist will not further go into a detail of them at present, than by referring to a copy of that letter contained in the Appendix, No. 23, and by asserting what is incapable of contradiction, that on all occasions of a confidential or difficult nature, the Government of the Nizam have uniformly been in the habit of employing him, both in its intercourse with the British Minister and on other occasions, that he has frequently received the approbation of the British Government, and Residents, and that until the year 1822, when the matters which led to the Memorial, first arose, he has never, to his knowledge, incurred the displeasure of the one, or the other.

112. On the same day in which your Memorialist received the intimation above noticed, of his pensions or rather his pay, being withdrawn, and retrospectively disallowed, namely the 25th August, 1823, Messrs. William Palmer and Co. received the following letter, by which under the peculiar circumstances of the Nizam's Government, and the influence which the British Government exercises over it, and the total absence of all legal tribunals throughout the country, coupled with the interdiction of all intercourse with the Minister, the sole source and fountain of justice, your Memorialist and his partners were to all practical results, placed out of the pale of law, and in a state of the most precarious dependence on the integrity of those, upon whom they had claims to an amount of sixty lacs of rupees. The letter is as follows,—“I am commanded by the Governor General in Council, formally to announce to you, that you are no longer to consider yourselves under the protection of the British Government, or entitled to its countenance in the remotest degree.” Messrs. William Palmer and Co's. reply is contained in the Appendix No. 24.

113. To revert to what is stated by Sir Charles Metcalfe, in the first letter of the 25th August, respecting the bonus upon the loan of sixty lacs of rupees, your Memorialist has to observe, that on the 8th of August, previous to the receipt of Sir Charles Metcalfe's letter of the 25th, Messrs. William Palmer and Co., received a letter from Sir Charles Metcalfe, in which it was stated that it appeared from their accounts, that at *the time when they obtained the sanction* of the British Government for a loan of sixty lacs of rupees to the Nizam's Government, that *transaction* was *effected* by a transfer of *fifty-two lacs* from their former Hyderabad account, with the addition of eight lacs bonus, as a compensation for reduction of interest on the said *fifty-two lacs*, from two per cent. per mensem to one and a half per cent. per mensem, and there being *no appearance of any payment at that period*, which could be considered as a loan of sixty lacs, or any other specific sum, they were directed to state, whether the conclusion drawn from the accounts was correct, or to

furnish any explanation of that account. This letter and the reply of Messrs. William Palmer and Co. appear in the Appendix, marked No. 25.

114. Messrs. William Palmer and Co. were at a loss to conceive how such a conclusion could have been drawn from their accounts.

115. In cash payments alone to the Minister, or to his order, Messrs. William Palmer and Co. actually paid a sum of 34,91,314—6½.

116. The remainder of the loan was made up of the following items. A balance against the Minister on the general account of - - - - - 11,99,348 6½
Salaries paid by Messrs. William Palmer and Co. of which those paid to your Memorialist and his family, amounted to about 70,000 rupees - - - - - 1,22,033
Purchases made by the Minister on account of the Government, from the house of Messrs. William Palmer and Co. in their commercial dealings - - - - - 1,27,935 13

117. The last three items might be considered as actual payments; the first two being for sums formerly paid by Messrs. William Palmer and Co. on their account, the last being due for goods to that amount actually furnished.

118. Two items the one for interest on the account relating to the Berar Soucars of - - - - - 2,20,393 10 3
The other bearing interest on the general account - - - - - 1,55,770 11 ½
Complete the amount of the loan, *exclusive* of the bonus of eight lacs referred to in the letter of Sir Charles Metcalfe of the 25th August.

119. These several items amount to 61,14,796—6¼, exceeding the amount agreed on for the loan by 1,15,000. This latter sum remained to the debit of the Minister in his general miscellaneous account.

120. The circumstances under which the bonus objected to, by the Supreme Government, was granted to your Memorialist, have been already stated.

121. In addition to the claims of Messrs. William Palmer and Co., which your Memorialist has already brought to the Notice of your Lordship, a balance of upwards of seven lacs of rupees as stated in an account forwarded to the Supreme Government through Sir Charles Metcalfe, in a letter under date, 5th June, 1823, is still due from Shah Yar ool Moolk.

122. Subsequent to the negociation for the loan of sixty lacs, Messrs. William Palmer and Co. had advanced a sum of eight lacs on loan to Shah Yar ool Moolk, a native of the highest rank, and holding extensive Jaghires under the Government of the Nizam.

123. This loan was made for the purpose of improving the Jaghires held by him, and was not only made with the sanction of the Minister, but upon his express guarantee.

124. For securing the repayment of the loan, assignments were made by Shah Yar ool Moolk, in the usual manner, upon the revenues of various districts in his Jaghires, and previous to the advance of the loan, the guarantee of the Minister was obtained in the terms of the agreement inserted in the Appendix, No. 26.

125. The precaution was taken not only for securing the sanction of the Minister, but to obtain his security, in case the possession of the Jaghires held by Shah Yar ool Moolk should subsequently be charged.

126. The continued default of Shah Yar ool Moolk, compelled Messrs. William Palmer and Co. to make application to the Minister, who with the

concurrence of Shah Yar ool Moolk, placed Umeen ool Moolk in the possession of a part, but not the whole of the Jaghires, of which the revenues had been assigned for the purpose of repaying Messrs. William Palmer and Co.'s demands.

127. In consideration of this arrangement, and the involved state of Shah Yar ool Moolk's finances, Messrs. William Palmer and Co. at the request of the Minister, agreed to reduce the annual payments to them, one lac of rupees, and then to extend the period wherein the loan was to have been paid.

128. This arrangement was effected about the month of August, 1822, and only one payment was made under it.

129. The discussions between Messrs. William Palmer and Co. and the Resident, which were notorious, had done them no good in the eyes of the subjects of the Nizam, and before the second payment became due, the interdiction of the Resident of any intercourse between them and the Minister had taken place.

130. Umeen ool Moolk, whose character is known even to the Supreme Government, and who makes no payment which he can by any means evade, availed himself of the helpless situation in which Messrs. William Palmer and Co. were placed, by that interdiction, to refuse all further payments.

131. All applications on their part from that period became unavailing, and Messrs. William Palmer and Co. in vain endeavoured to procure payment, either from Umeen ool Moolk, who held the Jaghires, or Shah Yar ool Moolk, who had no other means of discharging them, than what had been placed at the disposal of Umeen ool Moolk.

132. On the 5th of June, 1823, Messrs. William Palmer and Co. forwarded to Sir Charles Metcalfe the accounts of Shah Yar ool Moolk, together with those of Munsoor Khan, who was indebted to them in a sum of about one lac and a half of rupees, advanced to him under similar circumstances, and a similar guarantee to that made to Shah Yar ool Moolk.

133. On the 16th of August, Messrs. William Palmer and Co. represented to Sir Charles Metcalfe the conduct of Umeen ool Moolk, and requested his interference.

134. On the 11th November, 1823, Messrs. William Palmer and Co. were informed by a letter from Sir Charles Metcalfe, that it was considered by the Supreme Government, to be open to Messrs. William Palmer and Co. to apply for redress to the Tribunal of Justice established at Hyderabad, and in the event of their being desirous to appeal from the decision of the Court of Justice to the Government of his Highness the Nizam, he was permitted, under the existing restrictions against their direct intercourse or communication with his Highness's Government, to transmit a written representation from them to the Minister, and to receive and convey to them his reply, provided that the rate of interest charged in the account on which their claim was founded, did not exceed twelve per cent. per annum.

135. With respect to the special transaction between their firm and Umeen ool Moolk, his *Lordship* did not consider it to be one which the British Government was in any way pledged to adjust.

136. The amount of the interest on the loan to Shah Yar ool Moolk (charged at the lowest rate current throughout the Nizam's dominions) and as stated in the accounts previously transmitted to the Supreme Government, was eighteen per cent. per annum, the permission therefore contained in the latter part of his letter, even if it could have been rendered serviceable, under any circumstances, to Messrs. William Palmer and Co. was, under existing circumstances, wholly unavailable, but as no tribunal of justice ever existed at Hyder-

abad, with competent jurisdiction over a matter of that nature, Messrs. William Palmer and Co. were in fact unable to avail themselves even of that permission to appeal; but lest some tribunal might exist, of which they were not aware, Messrs. William Palmer and Co. on the 15th November, 1823, addressed a letter to the Resident, in which they expressed their readiness to submit their claims to that jurisdiction, which the Resident might be pleased to point out for their adjustment.

137. The Resident could point out none, for none existed, and in his reply of the 17th November, he informed Messrs. William Palmer and Co. that it did not accord with his duty to advocate their claims against Umeen ool Moolk, and from that period no prospect of their adjustment has appeared.

138. Their claims upon Munsoor Khan rested on the same foundation and the same security, and have met with a similar fate.

139. Munsoor Khan died shortly after the period of the correspondence, and his Jaghires have been resumed by the Minister, but the interdiction of intercourse with him precludes the possibility of an appeal to his justice, in which they have great confidence.

140. The want of success attending their appeal to the Resident, respecting their claims on Umeen ool Moolk, forbids their troubling him further with any application to advocate their claims on account of the loan advanced to Munsoor Khan. The correspondence on this subject will be found in the Appendix, No. 26.

141. Messrs. William Palmer and Co. have also a claim against Mooneer ool Moolk, the Mussulman Minister of the Nizam, for a balance of about eight lacs of rupees, upon an old standing account.

142. This indeed is a claim of a private nature, but the interdiction before noticed of all intercourse with the Nizam's Minister prevents any application to Mooneer ool Moolk, nor is he more likely than his brother Umeen ool Moolk, to discharge his obligations, so long as it shall be understood, that his creditors are not to consider themselves entitled in the slightest respect to the protection of the British Government, in a country where no tribunal exists, by which he may be compelled to pay the demand, and where the wishes of that government expressed or understood are paramount to every other consideration.

143. As a claim against a Minister of the Nizam, though of a private nature, the accounts were forwarded to Sir Charles Metcalfe, under date the 16th August, 1823, and his interference in their favour subsequently requested by Messrs. William Palmer and Co.

144. With such request the Resident stated he was only permitted to comply on condition of Messrs. William Palmer and Co. reducing the rate of interest charged to twelve per cent. per annum. Although the interest charged was on a contract of many years standing, they were willing to comply with such terms from the period of the Resident's letter on that subject, or indeed from the last payment made by Mooneer ool Moolk, by which the prior rate of interest was recognized, rather than to lose their whole demand.

145. Such concession on their part was considered insufficient, and they were required to open their adjusted accounts, and to reduce the rate of interest from the commencement of the loan, a condition, which if complied with, would not only have charged them with a heavy loss on the interest actually paid by them to their constituents, on funds placed in their hands, from which they were enabled to make this, amongst other loans, but would have also annihilated their claim, and charged them as debtors instead of creditors.

146. If looked on as an European transaction, this may appear scarce a hardship, but in a country where the rates of interest cannot be regulated by European rules ; where not only the laws of the country tolerate, but the government countenance, and its wants compel unlimited rates of interest, your Memorialist submits it would have been hard thus to have annihilated claims admitted for years, and never resisted except under the supposed sanction of the British Government. But be it so or not, the condition of urging a claim, which if complied with, would have annihilated it, was nugatory. The correspondence on this subject is contained in the Appendix marked No. 27.

147. Your Memorialist considers this, as terminating the facts which he is desirous of submitting to the favourable consideration of your Lordship in Council. A voluminous correspondence however took place between Sir Charles Metcalfe and Messrs. William Palmer and Co., which is contained as far as it bears upon the question, in the Appendix, marked No. 28.

148. From this statement of facts it would appear that your Memorialist and his partners have incurred the displeasure of the Supreme Government on the following points :—

1st. With respect to the loan, they were accused of making it a mere nominal one, and of having received eight lacs.

2nd. Of receiving illegal interest.

3rdly. Of having deceived the British Government by the affidavit made.

4th. Of exercising an undue influence over the Minister Rajah Chundoo Loll.

149. On these grounds as your Memorialist is led to believe, he has been deprived by the Supreme Government of pensions earned by long and acknowledged services to the State, from which he received them, and that he and his partners have been deprived of *a just debt, due* from the Government of the country where they lived, *for payments actually made by* the order of that Government.

150. In addition to the injury they sustained, by an unexpected and rapid repayment of an immense sum borrowed for a period of six years, for which time their arrangements were made, and of which two only had expired, they have been deprived of that bonus, for which they stipulated as the only means of securing them from actual and severe loss, in a precarious transaction, entered into with a native Prince, who had full power to contract, and who but *for the interference of the Supreme Government*, is fully willing to perform his engagement.

151. They have been placed by the act of the Supreme Government, *beyond the power of obtaining legal redress*, by which they are unable to recover demands to the amount of about forty lacs, exclusive of those demands which they have against the Supreme Government, as standing in the situation of the Nizam as their debtor.

152. These, my Lord, are the immediate consequences of those measures, which the Supreme Government have adopted against your Memorialist and his partners.

153. The ultimate result, my Lord, must be a total and irretrievable ruin to them, and probably to all connected with them. To avert it, if possible, if not now too late, your Memorialist trusts he will be able to satisfy your Lordship's mind, as to the integrity which has guided the conduct of himself and his partners, as to the erroneous impressions which have been taken up

against them, and to awaken in your Lordship, a due consideration for the situation in which he and his partners have been placed, and now stand.

154. In stating the facts under which he claims the indulgent consideration of your Lordship in Council, your Memorialist has stated nearly all that appears necessary on the subject of the loan.

155. Your Memorialist has shewn that the loan was not nominal, but either an actual advance of the whole sum, with the exception of the bonus granted on it, or what to the Government of the Nizam was equivalent, a remission of just debts due to your Memorialist and his partners, or payments made to other creditors of the Government by order of the Minister.

156. On the subject of the retention of their own debt in lieu of payment to a similar amount, your Memorialist would submit that William Palmer and Co. are in no way culpable.

157. The discharge of their debt was one of the objects of the loan. Whether Messrs. William Palmer and Co. received from the Government of the country their claim of fifteen or sixteen lacs upon paying the full amount of sixty lacs into the hands of the Minister, or paid to him but forty-five lacs, and cancelled the debt due to them, could make no possible difference to the Government, but did in fact operate to their advantage, inasmuch as it enabled Messrs. William Palmer and Co. to make the advance required, at so much a lower rate than they could have otherwise afforded, in the event of being compelled to raise fifteen or sixteen lacs more than what was actually required.

158. An operation of this nature would have drained the market in the first instance to a much greater extent, and thereby in the same proportion have raised the interest of money, whilst an immediate repayment of so large a sum at once, would have depressed the market in a similar degree, and have occasioned a corresponding diminution of interest.

159. Against the ruinous consequence of such a transaction in the money market, both as to the rise of interest, when they were borrowers, and the fall when they would become lenders, Messrs. William Palmer and Co. must have protected themselves by a larger rate of interest from the Government, for whom the loan was raised.

160. The whole of the consequences of such operations are necessarily taken into account on all loans, whether to individuals or to Governments; and as to the intention and undertaking of the Nizam's Government, in raising the sixty lacs loan, was, as beforementioned, to pay off Messrs. William Palmer and Co. amongst their other creditors; that mode was adopted, which was not only the simplest and most easy of operation, but was attended with the least disadvantage to all parties.

161. On the subject of the bonus of eight lacs, your Memorialist has already stated that it originated in the necessities of the Government, which required advances before the loan could be finally arranged, the sanction of the Supreme Government obtained, and the assignments of the territories made.

162. That the object of the Minister was to avoid a permanent burthen on the country, of so large an interest as twenty-four per cent. per annum, in the event of unforeseen circumstances preventing the due repayment of the loan, at the period contemplated.

163. That your Memorialist has not stated the current interest of the country as greater than what the fact will warrant, is not only notorious, but may be fully established, from the fact, that shortly previous to the negotiations for the sixty lacs loan, endeavours had been made by the Rajah of Nagpore, *under the sanction of the British Resident, through his immediate agency,*

to raise a loan for that Government to the amount of *only six and a half* lacs of rupees, all attempts to raise the sum at Nagpore, upon *any terms*, failed, and applications were in consequence made to the native Bankers at Hyderabad. But even upon the guarantee, as it was considered, of *the Resident* at Nagpore, on the part of the *British Government*, the sum of *six and a half* lacs could be procured on no better terms than twenty-four per cent. per annum, and that on the condition of the loan being *received* and the payment *made* at Hyderabad. These terms being refused, the loan *failed* at Hyderabad, as it had done at Nagpore.

164. Your Memorialist may further observe, that the ordinary rate of discount amongst all the native Bankers at Hyderabad, of their own acceptances, generally, during your Memorialist's residence there, has been and is at the present moment, two per cent. per mensem, and that the house of William Palmer and Co. is the only one at that place which has ever discounted at so low a rate as twelve per cent., at which rate they have been accustomed to discount their own acceptances.

165. A calculation of the difference upon eighteen per cent. per annum, upon sixty lacs, and twenty-four per cent. on fifty-two lacs, will shew, that even in the event of a punctual repayment, the Government of the Nizam would have been the gainer, on the plan adopted.

166. Your Memorialist, however, submits, that even had the bonus been a clear and naked bonus, without the consideration of any further benefit, and merely stipulated for in the first instance by the house of William Palmer and Co. they could not have been considered doing more than what has been sanctioned by prior transactions under Government, which can labour under no imputation of being subjected to the power of any.

167. The Supreme Government of India, even His Majesty's Government at home, have raised loans upon which bonuses have been granted.

168. That the latter have frequently, nay commonly raised loans whereon bonuses have been given to a much larger amount, than that which has been received upon the sixty lacs loan, by the house of William Palmer and Company.

169. Their bonus upon that loan amounts to about fifteen per cent.

170. The Supreme Government have raised money on loans where they have granted, what may be considered bonuses, to the amount of seven per cent., and where the rate of interest has not been less than the current rate.

171. His Majesty's Government have raised loans, on which they have not paid less than the current rate of interest on the nominal amount of the loan, and have granted bonuses to the extent of seventy or eighty per cent.

172. During the wars between Great Britain and France, since the year 1792, loans have most frequently been raised by the Government of Great Britain, on terms which granted bonuses to an enormous amount to the lenders, whilst they received interest little if any short of the market price, or their actual advances, and in fact more than the legal interest payable on any other than the annuity transactions.

173. In 1813 the English three per cents. were at *fifty-seven*; the policy of the British Ministry was not to raise money on the terms nominally of the interest which the market price required to be given, but by granting a larger amount of stock to lower the nominal rate of the interest.

174. In consequence, the large loans raised in the year 1812 and 1813 were raised principally in the three per cents. at or about the rate of *fifty-seven*, by which means each proprietor became possessed of 100*l.* stock, for which he

received annually 3% interest for 57%, paid to the Government in money. The debt due from the Government to him could never be paid off, without his consent, under 100% in money, and thus consenting to receive something more than three per cent. interest on the amount of the debt due to him, he receives an actual bonus of *forty-three per cent.*, he received *three-fifths* of the legal interest on his nominal debt, and a bonus of *forty-three per cent.* on his actual advance.

175. William Palmer and Co., in their loan to the Minister of the Nizam, received three-fourths of the ordinary rate of interest in that country, on the nominal debt due to them, and a bonus of *fifteen per cent.* on their actual advance.

176. To state the English loans correctly, that of 1812 was 15,650,000% raised in money, whilst the debt added was 27,544,000%.

177. The first loan of 1813 amounted to 22,000,000% ; the debt added for this amount in money was 38,940,000%.

178. The second loan of 1813 was 21,000,000% ; on this amount in money the debt was increased 35,700,000%.

179. To state these three loans together, the amount raised and received in the two years was £58,650,000, the amount added to the debt, to be repaid to the creditors of the British Government for that advance, 102,184,000%.

180. Besides the amount thus added to the National debt of the country, the charges of management on the loans were considerable.

181. On the loan granted by Messrs. William Palmer and Co. no charges of management arose.

182. Your Memorialist only refers to the above, amongst innumerable instances of similar transactions.

183. If a comparison were made on the loans of the British Government, with the loan to the Nizam in relation to the interest only, your Memorialist submits it would be equally advantageous to Messrs. William Palmer & Co.

184. On the actual amount advanced to the British Government under the loans above referred to, the lenders received an interest from £5 6s. to £5 10s. 6d. on the sums actually advanced, exceeding considerably the legal rate of interest in the country where they were raised. William Palmer and Co. received 10,80,000%, on the amount of their nominal debt of sixty lacs, whilst on their actual advance of fifty-two lacs, they would have received according to the ordinary rates of interest throughout the country, and the rates of interest paid on all other accounts (whether with them or others) by the Minister 12,48,000%.

185. If, my Lord, it should be said, that the loan to the Nizam was one of short duration, and to be paid off in the period of six years, whilst the loans to the British Government were raised for indefinite periods, and in the ordinary course of calculation could not be paid off within any but a very lengthened term, and probably not at all ; and therefore, the bonus of stock granted to the English lenders was merely ideal, your Memorialist would suggest in the first place, that as the three per cents in 1732 were at par, and in 1739 at £107 money, for £100 stock, there exists no real reason why similar circumstances should not again raise them to a similar height ; nor can the expected advantage be treated as chimerical, or the bonus as merely nominal, when it is considered that in 1814 the three per cents, obtained at *fifty-seven* were at *sixty-six*, that they have since been at *eighty-four*, and

that probably they are at the present moment little short of *ninety*. So that whether paid off or not, the contributor to the English loan has in fact actually received a bonus to the amount of about fifty per cent.

186. Nor can the circumstances of the loan to the Nizam, being for a limited period, as your Memorialist conceives, be used as an argument against the terms of that loan. If the loan were advantageous, the postponement of its repayment would increase the advantage, and be a reason why in other respects the terms of it should be less favourable to the lender.

187. That it is usually considered as an advantage that the payment of Government loans should be deferred, your Memorialist conceives to be fully established by the terms usually attached to the creation of new funds, as in the case of the English three and half and four per cents, that they shall not be paid off till stipulated periods, and by the recognition, which the principle received from the Supreme Government on the raising of the five per cent. loan in 1823, by the inducement held out to the subscribers, that those who subscribed first, should be the last repaid.

188. When in addition to these arguments in favor of the propriety of a bonus, thus recognised and sanctioned by precedents not to be impeached, it is considered that the inducement for the grant of the bonus to them, was as well to guard them against eventual loss from premature advances required, as to secure the Government of the Nizam from permanent burthens, which uncontrollable circumstances might otherwise impose upon them, it seems extraordinary to your Memorialist, that the conduct of the house of William Palmer and Co. in this transaction should be designated, such as it has been termed; that upon a loan thus contrasted with loans to the British Government, a loan advanced for a comparatively short period, upon a rate of interest *lower than the usual rate throughout the country*; the advances on which were forestalled at great, and what have eventually turned out ruinous disadvantages to the lender, before the security could be transferred, or the sanction which was to confirm and give it stability obtained; that upon the mere grounds of such a transaction, your Memorialist and his partners should be accused of rapacity and extortion, and the Minister of the Nizam of having wantonly lavished the resources of the country, is to him a source of not less surprise than regret.

189. It is said that your Memorialist and his partners were guilty of a concealment of the terms upon which the loan was raised, that the bonus was studiously concealed from the Supreme Government, when their sanction to the loan was obtained.

190. Your Memorialist respectfully submits that such an idea must have arisen from error, and misapprehension; he has already stated, and inserted the correspondence under which that sanction was obtained.

191. The extent to which the sanction of the Supreme Government was required and given, will appear not to have embraced their approval of the terms, or their guarantee for the repayment of the loan.

192. William Palmer and Co. never did require it, nor do they now ask it, unless, indeed, the Supreme Government have undertaken to pay the debts of the Nizam, in which case, with confidence in the justice of their claim, and the integrity of their conduct, they ask of the Supreme Government, as standing in the place of their original debtor, to discharge a just debt, deliberately contracted, and repeatedly recognised and acknowledged.

193. In any other event, they ask but of the Supreme Government, to act conformably to their undertaking, contained in the terms of that sanction, which was not only granted by the Government of India for the time being, but which your Memorialist is informed, was confirmed by the approbation

of the Honorable the Court of Directors given to the loan. If that sanction had been refused, your Memorialist and his partners would instantly have suspended all further advances to his Highness the Nizam.

194. The concealment which they are accused of having practised, they submit was impossible, had they been inclined to have had recourse to it.

195. The accounts of their house are too voluminous, and pass through too many hands, being kept both in English and Gazarattee, to admit of much secrecy.

196. Those in question were not only open to the inspection of all the clerks in the house, but necessarily went through the hands of six different persons besides the partners, namely, three English clerks, two Gazarattee writers, and one Persian writer.

197. They were moreover open, at all times, to the inspection of two writers, belonging to the Minister.

198. In these accounts thus openly kept, the item of eight lacs is entered to the debit of the Minister, without an attempt at concealment, according to the real truth of the transaction, "to profit and loss for reduction of interest."

199. When the Minister made the application to the British Resident for his sanction to the loan, (as before stated and referred to in the Appendix No. 6,) he communicated the general objects for which the loan was raised.

It was in consequence of this letter, that Mr. Russell applied to William Palmer and Co. to know what sanction for the loan they required, but neither at that time or any other, as your Memorialist understands, did he apply to the Minister or to William Palmer and Co. for any information, as to the terms upon which they had consented to make the required advance.

Had such information been required from William Palmer and Co. they would instantly and readily have given it, as they did, and have at all times done on that subject, and all others, as far as respected themselves when required.

200. They could not have refused it had they wished to do so, for as they were suitors to the Supreme Government for their sanction to the measure, it was in the power of that Government to withhold it, or to grant it, in such terms as they might think proper to impose, nor is there any reason to suppose that the Minister, who was desirous of raising the loan, would have hesitated one moment to give any information upon the proposed terms.

201. He could have had no motive for concealment, for although your Memorialist cannot forget the terms which are applied to the conduct of the Minister in Sir Charles Metcalfe's letter of 12th November, 1823, (inserted in the Appendix, No. 21,) as connected with this transaction, your Memorialist conceives, it is not too much to suppose that the Minister could never have imagined he was acting improperly, when it is known that without the slightest attempt at concealment, he communicated the full terms of the loan to Sir Charles Metcalfe on the first application made to him upon the subject, after the arrival of Sir Charles Metcalfe at Hyderabad.

202. Had your Memorialist and his partners adopted a line of conduct different from that pursued by them, and apparently approved by the Supreme Government, on former occasions, your Memorialist conceives, that there would have been juster grounds for attributing to them attempts at concealment.

203. But when they formed the establishment at Aurungabad before mentioned, they *gave* no accounts of the terms of their engagements with the Minister to the Supreme Government.

204. The terms upon which they originally obtained the promise of protection from the Supreme Government, provided merely that the said firm of "Messrs. William Palmer and Co. shall at all times, when required so to do, by the British Resident at Hyderabad for the time being, communicate to the said Resident the nature and objects of their transactions with the Government or the subjects of his said Highness the Nizam;" and "the Resident was directed to exercise that degree of controul, at such time, and in such manner, as he might judge to be expedient in the spirit of the resolution of his Excellency in Council."

205. According to this the application was expressly to be made by the Residents and William Palmer and Co. might well contend that in no case could they be called on to give information, further than as to the nature and object of their transactions, and not as to the detail of the terms upon which they might be entered into.

206. Your Memorialist, however, disclaims any intention of resting his innocence of concealment on such a basis. William Palmer and Co. have never withheld any information from the Resident or the Supreme Government, whether within or beyond the scope of the condition, upon which the sanction to the establishment of the house was obtained.

207. To have volunteered unasked, information on any subject, for which if wanted, the Resident ought to have applied, your Memorialist conceives, would have appeared extraordinary, and would certainly have been unnecessary; but on all occasions, (with the exception of a desire in one instance, not to implicate others,) they have been ready and most forward to give all the information in their power where it was required.

208. When applied to in 1819 for detailed accounts of their transactions with the Minister at Aurungabad, they furnished them without hesitation; nor was it made at that time any matter of complaint, that they should not have submitted voluntarily to the Resident at the time of its formation, a statement of the terms upon which they had consented to establish that house. It is true that those accounts were not inspected in the first instance by the Supreme Government, upon the principle of an objection made by one of the partners in the house to submitting the accounts of a banking and commercial establishment to such an ordeal; but legitimate as such an objection would have been to their production, no delay was occasioned by any demur on their part by William Palmer and Co. the accounts were produced and laid before the Supreme Government, who, upon consideration of the objection, returned them *unopened*.*

209. Their subsequent production under a similar requisition in 1823, the *settlement and payment* of the whole balance, due upon them by the Supreme Government, whilst other accounts are disputed, sufficiently

* This is erroneous, for Sir C. T. Metcalfe, in 1820, wrote to Sir William Rumbold the following Letter, at which time Sir C. T. Metcalfe was Secretary to the Government:—

MY DEAR SIR WILLIAM,

Barrackpore, Feb. 3, 1820.

BEFORE you receive this you will have found the questions contained in your letter of the 14th ult. fully answered at Hyderabad. After a little discussion it was determined that, consistently with the resolution of Government, not to take cognizance of your arrangement with the Nizam, there was no plea for scrutinizing or retarding the accounts, they therefore were returned to Hyderabad, after passing in circulation among the members of Government. I hope and believe the question is at rest, and I do not see any probability of the revival of any correspondence on the affairs of the house, unless it originate there.

(Signed)

C. T. METCALFE.

Sir William Rumbold, Bart.

demonstrate that William Palmer and Co. could only object to their production in principle, and could have no cause to fear their inspection.

210. They have also produced, though feeling most deeply all the consequences which may ensue to a commercial and banking establishment, and labouring severely under many which have actually arisen from the production of their private accounts, and the effect which the adoption of such a proceeding against them necessarily creates, the whole of their accounts with the Nizam for a long series of years.

211. They have produced them, not in a garbled or disguised form, but so as to give the fullest view of all transactions which the house ever had with his Highness's government.

212. Should there be entertained the slightest suspicion that concealment or disguise has been used in this respect, an inspection of the original books will prove such suspicion to be groundless, and your Memorialist and his partners are fully ready to suffer any such inspection to take place.

213. It is not upon any concealment, but upon the fullest examination of the conduct of your Memorialist and his partners, that they rest their claims to your Lordship's favourable consideration.

214. They do not deny—they never have desired—they have never sought to disguise, the receipt of the bonus—they justify their conduct in that respect, and respectfully but firmly maintain its propriety on those various grounds, which they have thus submitted to your Lordship.

215. That the Minister did not wantonly lavish the resources of the country in consenting to the terms upon which the loan was raised, your Memorialist conceives, is capable of easy proof.

216. It would be a presumption, of which your Memorialist would not venture to be guilty, to offer one word respecting the Minister, which might be considered as unnecessary for the vindication of the conduct of himself and his partners; but as connected with such vindication, your Memorialist trusts, he may be permitted to say, that the objects of the loan were such as could not but be most beneficial, in their result to the Nizam's country; and that from no other source, than the house of William Palmer and Co. could the Minister have procured the loan he required on equally advantageous terms—from no other source within the dominions of the Nizam could he have obtained it at all, and to have paid no higher interest *including* the bonus on a loan, to an extent previously unheard of at Hyderabad, than what he paid upon all his ordinary banking accounts.

217. If Messrs. William Palmer and Co. have been accused of extortion and rapacity in their conduct upon this, or any other transaction, they must be permitted humbly, but confidently to state to your Lordship, that misapprehension alone can have given rise to the charge.

218. The avowed object of their establishment was to lower, not to raise, the ordinary rate of interest; that object they effected.

219. When your Memorialist and his partner Bunkutty Dos first commenced their connection in business, which led to the subsequent formation of the firm of William Palmer and Co. they discounted bills as other bankers at Hyderabad were in the habit of doing, at three, four and five per cent. per month. In many instances private individuals to other houses paid six per cent; and your Memorialist could prove a discount of a bill or assignment of the Minister, in the hands of an individual, at the same high rate of interest.

220. From the period when the house of William Palmer and Co. was first established to the present moment, they have never lent money or discounted bills at a higher rate of interest than two per cent. per month; the natural and inevitable consequence has been, to reduce the ordinary rate of interest to that level—upon pledges, or immediate tangible, or other approved security, one and a half and a quarter, and upon their own bills, a discount of one per cent. per month, has been the interest, which William Palmer and Co. have been in the habit of charging.

221. In what way your Memorialist would respectfully ask, was it possible for him and his partners to be guilty of extortion towards the Minister? They were not placed in the situation of creditors, who having their debtor within their power, were willing to forego for a little their claims, only upon terms such as they chose to dictate; on the contrary, the amount of the debt due from the Minister, for the payment of which they had no other security than the faith, which they might repose in his sense of justice restraining him from withdrawing the assignments, which they held to cover (partially) the debt due; rather placed him in the situation of imposing his own terms upon them, lest by a refusal to make the advances he required, they might place in hazard the amount already outstanding.

222. Independently of this argument your Memorialist would submit, that extortion cannot be practised towards a whole community. The very term necessarily implies, extorting from some, that which their necessities alone enable the party lending to extract, while others are treated with on a more favourable footing.

223. But the rule of William Palmer and Co.'s banking transactions was universal, extending to every constituent of their house, and guiding their conduct in every banking transaction, with the community of Hyderabad and throughout the territories of the Nizam. The only difference existing in their loan transactions was occasioned by a variance in the security, or the scarcity or abundance of money in the market. The *highest* rate on which they ever made advances, was the *lowest* ever known in Hyderabad till their establishment; and their ordinary transactions lower than that of the other banking houses of Hyderabad.

224. It may be urged as an argument against them, that they charged the government of the country nearly as large a rate of interest including the bonus, as they charged to private individuals.

225. It may be doubted whether the security of the latter may not be in all, or most cases, more easily available; and a private debt with the assistance of the Minister and the countenance of the British Government of India, would certainly be more easily recovered at Hyderabad, than that debt, which is due to your Memorialist and his partners, from the Minister on behalf of the Government of the Nizam; so long as the British Government shall continue their disapprobation of its repayment, so long is your Memorialist not only without security, but without the remotest chance of obtaining it.

226. But in fact the loan required was to an extent (as before stated) previously unknown, and almost unheard of in Hyderabad, and the inability to raise on any terms, at Nagpore, upon the security even of the British Government, so small a loan as six lacs and a half, already adverted to, may afford an argument to shew, that the command of money, at Native Courts throughout India is not great. In truth, the demand of sixty lacs was a sum calculated instantaneously to raise the value of money at Hyderabad much beyond its usual and accustomed rate.

227. Had your Memorialist and his partners calculated with correctness the effect such a drain would have had upon the market, they would never have embarked in the undertaking.

228. If the preceding observations are just, your Memorialist has scarcely occasion to refute the charge, which has been advanced against the house of William Palmer and Co. of acting in collusion with the Minister. For it would be too much to suspect collusion where no motive for it exists.

229. If it is said, that the Minister granted more favorable terms to Messrs William Palmer and Co., from motives of pecuniary interest to himself, your Memorialist would ask, (even if such motive could exist) in what part of the accounts, investigated as they have been, any grounds are to be found for such an accusation? If it is supposed that he could have connived at extortion, on the part of William Palmer and Co., from feelings arising from that private friendship, with which he honored your Memorialist; your Memorialist would answer, he hopes he has sufficiently shewn that no extortion has been, or could be practised by him, or his partners; and however unpleasant it must be, under any circumstances, for a man to appeal to his own character and conduct, he trusts he may be permitted respectfully to urge, that his feelings, his character, and his conduct in life, have ever been in theory, and practice, adverse to rapacity or extortion. He trusts he may be allowed to appeal to those to whom his character is best known, and who may be in a situation, to inform your Lordship, for a confirmation or refutation of his claim to such conduct; for he can scarcely feel a greater anxiety to avert the ruin, which impends over the house of which he is a partner, than to vindicate his own character from the aspersions of usury, extortion, and rapacity.

230. Your Memorialist has already stated the rate of interest current at Hyderabad, and the extent to which it runs beyond what is known in European Countries. There are many causes not only why this should be the case, but why in reason, and under a due consideration of the difference between the Government of the one, and the other, it necessarily must be so.

231. If the value of money, like all other articles, depends as it must, and as it has in all countries, European and Asiatic, and in all ages, where restrictive laws upon its free use, and employment, do not exist, upon the abundance of it generally in the Market, and the security for its payment, the amount of Interest at Hyderabad must be as great as in any quarter of the globe.

232. The country is anything but rich, the lower orders being exceedingly poor, though among the higher there are many large and overgrown properties.

233. Throughout the country, and in the city of Hyderabad itself, there is yearly the greatest inconvenience sustained by the want of a sufficient circulating medium. The monied men are few in number, and the extravagance of the higher classes of society occasions a general demand for loans at a high rate of interest.

234. To these considerations, is to be added, the total insecurity with which all advances are made.

235. If the value of money depends in any measure on the facilities afforded by the laws of different countries for the enforcement of pecuniary engagements, and a comparison be made regarding such facilities, between the Governments of the Nizam, the Honourable Company, and England, your Memorialist conceives it cannot well be denied, that twelve per cent. allowed in Calcutta, compared with five per cent. as admitted in England, is far more usurious than twenty-four per cent. at Hyderabad.

236. No Court of Justice exists throughout the country, to which a man can ever be summoned, and all hope of recovery where power and dishonesty are combined against the creditor, would be purely futile.

237. A stronger instance of the truth of this assertion cannot be given, than that when William Palmer and Co. were referred by the Supreme Go-

vernment through Sir Charles Metcalfe "to the established tribunal of the country," for the recovery of a just, private claim against Umeen ool Moolk, the brother of one of the Ministers, and applied to Sir Charles Metcalfe for his guidance as to the court in which they should seek redress; Sir Charles Metcalfe at once acknowledged the difficulty, and was unable to point out any court of competent jurisdiction.

238. The admission to Messrs. William Palmer and Co., by Sir Charles Metcalfe, of the peculiarity of their predicament, in a country where there is no tribunal of justice, if they should be deprived of intercourse with the Nizam's Minister, as contained in the Appendix No 25, sufficiently establishes the fact.

239. The truth is, no such court exists, and the only legal mode of recovering debts from the nobility, against their inclination, is by constant importunity, or the interference of the Minister, who is the sole fountain of justice, and the only being who possesses any degree of power legally to enforce it.

240. The promised protection of the British Government, and the degree of favor, which your Memorialist is emboldened to say, his services to the Nizam had procured for him, from the Minister, encouraged and occasioned the establishment of the house of William Palmer and Co.

241. On the promise of that support, which is withdrawn from them, and on that favor, and intercourse which is intercepted and forbidden, they ventured to risk, on a large scale, an opposition to the *Pytans*, and *Goseyns*, in whose hands all loan transactions were at that time placed; and whose cupidity, and atrocity, was equally notorious.

242. Collected in numerous clans, and the *Pytans* professing to be restrained by their religious tenets from usury, these two parties by means of pretended sales, and immediate re-purchases, at an enormous discount, and under a thousand different evasions exacted from the borrowers of money, interest to an extent which is scarcely credible; in many cases to the extent of eight per cent. per month, or even more, and seldom or never less than four. The recovery of the money lent, in these various ways, was never obtained by judicial proceedings. If their debtors disregarded their demands, which were ordinarily made with sufficient importunity, the course was, for the clan to unite to seize the debtor, of whatever rank he might be, and either keep him a prisoner in his own house, as in the case of Rajah Rao Rumba, the highest subject in the Nizam's dominions, or to take him to the house of his creditor, where he was kept, till he either paid the debt, or submitted to fresh extortions; which were to be enforced at no distant period, in a similar manner.

243. That their power kept pace with their rapacity, is well known; and an incontrovertible proof of the fact is, that in the year 1823, after a party of them, assembled for the purpose of murdering a *moolavie* who had offered them some offence, had effected their purpose, in a mosque, within the very precincts of the Minister Mooneer ool Moolk's palace, before the very face of the Minister, whose servant he was; they collected in such force, as to defy and defeat the whole strength and armed force of the city, which poured forth against them; and it was not until the Russell Brigade was brought out that the peace of the city was restored, and the atrocities of the *Pytans* put an end to.

244. Their subsequent expulsion from the city has been carried into effect, in consequence of this last act of atrocity.

245. Your Memorialist submits, that it would surely be too much to expect the rate of interest, in a country so situated, to keep the same level as in British India; and cannot but feel, that a full knowledge of their conduct,

and of the true state of the money market, and of those circumstances which are calculated to affect it throughout the territories of the Nizam, must acquit them of any conduct even approaching to extortion.

246. Extortion, he conceives, is not to be measured merely by the amount of interest paid, without a due consideration to those other circumstances which must regulate the advances; and he would ask with confidence, whether that man is the greatest extortioner, who being a first mortgagee in England, taking advantage of the necessities of his debtor, advances further money at five per cent., whilst the market on such security is only three, or he who at Hyderabad lends money at twenty-four per cent., the lowest rate of interest upon which such a loan, under any circumstances, can be obtained.

247. That no moral guilt can fairly be attached to the pecuniary transactions of William Palmer and Co., they feel, and must feel conscious in their own minds, they are emboldened to hope that a knowledge of the truth will efface it from the minds of all; and whilst they rely upon this, from the considerations already submitted to your Lordship, they cannot but think, that the Supreme Government would hardly have given their sanction to a loan, which by their own calculation, they must have known to exceed sixteen per cent., if moral guilt be attached to those, who under any circumstances received a greater amount.

248. They are still further satisfied on this head, in the reflection, that prior to the sanction of the Government being obtained for the House in 1814, communications were made by Mr. John Palmer of Calcutta, to two members of Council, one of whom was locally acquainted with Hyderabad, and the other by a long residence in India, fully apprised of its means and resources, and whose full approbation, Messrs. William Palmer and Co. received, that the rate of interest intended to govern the ordinary transactions of the house, was two per cent per mensem: they have every reason to believe, that that fact was well known to all the members of the Council.

249. They are now told, however, that the taking interest beyond twelve per cent. is an illegal act in them, and that all their contracts for it, are void.

250. They are referred to the opinions of "high legal authorities" in England, which have been taken on the subject, and which were communicated to them in a letter from Sir Charles Metcalfe, on the first November, 1823, which together with their reply, is inserted in the Appendix, No. 29.

251. They feel little disposed, if they were able to canvass the point of legality, or to attempt to controvert the opinion of those most competent to decide correctly on the question.

But when it is considered, that the British Act of Parliament which creates this illegality, was never considered until lately, to extend to those parts of India, not under British rule, that the Supreme Government of India, when it gave its sanction to the loan by William Palmer and Co. was to the fullest extent aware, that British subjects were members of that firm, which were about to advance a loan at upwards of sixteen per cent. and that no idea of its illegality appeared to cross the minds of the members of Council, who if they had doubted of the propriety of the measure, had most competent legal advisers to resort to; that that loan was sanctioned by the Court of Directors, (if your Memorialist is correctly informed) that when its illegality was suggested even in England, it was necessary to take the opinion of "high legal authorities," to expound the law upon the subject, it can scarcely be a matter of surprise that the members of a firm, of which *two* only were British subjects, one of whom was educated to no profession, and the other as a surgeon, and neither of them in the service of the Company, should be ignorant that a local law, generally considered to relate only to

the British territories, affected those dealings which they considered were covered by the licence obtained from the Supreme Government, for their transactions with native Princes.

252. Your Memorialist who established the firm, and his brother, are both natives of India, born of a native mother, though of British parentage on their father's side, and by a decision of the Supreme Court, confirmed as your Memorialist is informed by the Privy Council of Great Britain, on appeal, with respect to a person in a similar situation, not to be considered as British subjects. His other partner Bunkutty Dos, is a native of Hyderabad.

253. They could hardly be expected to be conversant with an English law, which required to be expounded by "high legal authorities" in England, and that their ignorance of it, in common with the Supreme Government of India, would be most severely punished by their total ruin. That ruin must inevitably follow the decision, against those just, if not legal claims upon the Government, and the subjects of the Nizam, remaining unsettled, upon which more than twelve per cent. interest has been charged or received.

254. But with the utmost deference to the opinion of those high legal authorities, who have been consulted in England, and the consciousness of his presumption in questioning it in any degree; your Memorialist cannot but submit to your Lordship, that the opinion, that contracts, of the nature alluded to, are void, appears to him, after all the consideration he can give to it, and all the advice (far inferior, he admits, to that which the Honourable the Court of Directors can command) and all the information which he can obtain upon the subject, to be in some degree doubtful.

255. Admitting that such a transaction may be illegal, as relates to British subjects, and British laws, that British Courts of law will not enforce it;—will punish those British subjects who are concerned in it, as being contrary to the laws which guide them;—your Memorialist humbly, but confidently submits, that that contract which is not illegal in the country where it was entered into, is not void in itself.

256. If a contract lawful by the law of England, but forbidden to all subjects of America, were entered into by an American jointly with British subjects in England; would the American law render the contract void in England? would the Court of King's Bench in England, refuse to enforce such a contract on such an objection? your Memorialist submits not. The courts of all countries, it appears to him must be governed by the laws of their own country, where the transaction takes place within it; and if a contract be lawful there, justice would enforce it, though contrary to the policy of a foreign country, to permit their subjects to be concerned in it.

257. If this be correct, the opinion of the legal authorities, inasmuch as it treats the contract as wholly void, is incorrect: and however your Memorialist's British partners may be liable to punishment, in consequence of their ignorance of the law, their junction with your Memorialist affords no ground of objection to that contract, which was legal in the country of the Nizam, and of which that country has derived the full benefit.

258. The Supreme Government may hold and exercise a paramount influence over the Government of the Nizam, but Great Britain has not, as yet, taken upon herself to legislate for that country, or to declare what rate of interest shall constitute usury throughout his dominions. The immemorial usage and custom of the country, the sanction and participation of the Government, countenance, justify and render lawful more than twenty-four per cent. And although the circumstance of British subjects having inadvertently, and under an error, embarked in such a transaction, may be a reason why British Courts should not enforce it, (which, if British subjects

had not been concerned in it, your Memorialist submits, in case of the residence of the debtors in England, they would otherwise have done,) and why the British Resident should not lend his interference in favour of the settlement, it affords no ground, as appears to your Memorialist, why its discharge, as far as affects the bonus received in lieu of interest, should be stigmatised as a shameful and criminal misappropriation of the public funds by the Minister of the Nizam; why the Minister should be told, "that in the event of his taking upon himself to satisfy those demands from the coffers of the State, a remonstrance against such supposed misapplication of the public money should be made to the Nizam;" it affords no ground why private contracts for such interests should not be fulfilled at Hyderabad. Still less, my Lord, is it a reason why your Memorialist and his present partners, who are all natives, (the British partners having gone out and relinquished all claim upon the house,) should be prohibited from all intercourse with the Minister, the only court of justice in the country, to forward their claims to that, which the usage and laws of the country sanction, and the payment of which can alone save themselves and their numerous constituents from ruin.

259 If the British Government forbids all intercourse with the Minister but through the Resident, he is surely bound to make all representations of claims not hostile to any laws of the country in which he resides; but he has refused to advance any, where more than twelve per cent. has been agreed for, with this extraordinary inconsistency, that the Supreme Government have actually paid off to William Palmer and Co. fifty-two lacs of the loan, with eighteen per cent. interest, and about twenty lacs more upon various current accounts, including those of Aurungabad, with twenty-four per cent.

260. Your Memorialist also submits, that the statements he has made, which can be fully borne out in proof, relative to the allowances made to him and his family, entitle him at least to expect that the British Resident may be directed by the Supreme Government to withdraw his opposition to the payment of those demands, if not to give his interposition in their favour.

261. Your Memorialist trusts, that if such interposition shall still be withheld, the Supreme Government will at least concede to Messrs. William Palmer and Co. that they may be permitted to urge their own claims to the Minister, or that the Resident may be directed to forward them, with an intimation to the Government of the Nizam, that the Supreme Government leaves the question of their claims on that head to the justice of the Minister.

262. Your Memorialist lastly adverts to the charge made against him and Sir William Rumbold, of having deceived the Supreme Government, in the affidavit made by them and forwarded to Lord Hastings.

263. Your Memorialist has already stated for what purpose the affidavit was required, and in what manner it was made.

He cannot, and will not say, that he did not in common with Sir William Rumbold, feel the greatest reluctance to make it, and the warmest desire not to implicate others, whose conduct was not then in question.

264. As mercantile and banking agents merely, the objections of your Memorialist and his partners could not but be great, against making any disclosure relative to their concerns with others. Their situation as such, must make them confidentially acquainted with facts of which the disclosure might materially injure the parties concerned, and no consequences to themselves, could justify them as men of honor, in making such disclosures.

265. On the affidavit being required, your Memorialist individually felt disposed to refuse to make one, but afterwards consented so to do, feeling that he could with truth make it in the form transmitted to Lord Hastings; and whilst he and Sir William Rumbold could comply with the requisition made, they could not feel that they were acting improperly, in endeavouring to avoid implicating those with whom they had been connected, whose conduct was not under enquiry.

266. If they erred, they trust, that stating nothing but the truth, they may find some excuse in their motive, for avoiding stating all they know in the circumstance, that they have given every information which has been required, which relates merely to themselves.

267. If they have erred beyond this, they still trust that their anxiety to save their friends from consequences to which no disclosure could subject themselves, is not a deceit (no falsehood having been uttered) which merits to be punished by that total and inevitable ruin, in which they, their families, friends, and constituents must in common be involved, if the prohibition of all intercourse with the Minister be continued, the assistance of the Resident, even to forward their demands to the Minister, refused—(the payment of them, indeed, being prohibited by the Supreme Government)—if the supposed protection, or at least countenance of the Supreme Government, and the Resident, to the refusals of their private debtors, under which they shelter their dishonesty, be not openly disavowed.

268. Your Memorialist hopes, that he may be restored to that communication with the Minister of the Nizam, which he was in the habit of enjoying before the interdiction of the British Government was passed.

269. He is not conscious of possessing that influence which he is supposed to enjoy.

270. To assert that he or any other man, or number of men, could exercise any paramount influence with the Nizam's Government, in opposition to the influence of the British Resident, could only be founded in a total forgetfulness, or ignorance of the state of almost complete subjection to the Supreme Government, in which the Nizam is placed.

271. But did your Memorialist really possess any influence of consequence, that influence never could be, nor has the little which he has possessed, ever been exercised to the prejudice of British interests.

272. His feelings, his education, his habits, and his descent from his father, are all peculiarly English, and though not himself entitled to the privileges of a British subject (though he has been subjected by the treatment of which he now complains to all the disadvantages and disabilities attached to British subjects in this country) his conduct from the period of his first introduction to the service of the Nizam, has not been less directed to the fulfilment of his duties towards his Highness, than to the promotion of every object connected with the advancement of British interests.

273. By his means, and the power possessed through the funds of the house, the territories of the Nizam have been opened to the introduction of every species of British manufactures.

274. Your Memorialist and his partners opened an internal intercourse through the country by means of the navigation of the rivers Godavary and Wurda, for a distance of four or five hundred miles, which no one had previously attempted.

275. This important advantage to the country they have fully perfected;

though at a loss to themselves, at present, as the first projectors, of, from five to six lacs of rupees.

276. Your Memorialist is led to believe, that whatever trifling influence he and his partners may possess with the Minister, proceeds wholly from the benefit arising to the country of the Nizam, from the various transactions in which they were engaged, and the alacrity with which in times of difficulty or distress, they placed their best means at the disposal of the government, at a lower rate of interest, than he could have procured the money required elsewhere, the punctuality with which they fulfilled all their engagements, and the regularity which they introduced into all money transactions.

277. The anarchy and confusion which had previously prevailed amongst the troops (many of whom were officered from the King's and Company's services,) arising from irregularity and delay, in the receipt of their pay, so fatal to all Indian Governments, disappeared on their arrangements with the Minister being carried into effect. Your Memorialist is informed, that, subsequent to their arrangements being put an end to, the pay of the troops has again fallen into arrear, and discontents have in consequence arisen. That a body of troops, under the command of Captain Clark, a Company's officer, recently refused to march against a Zemindar, who was pillaging the country, on account of the arrears then due to them; and at the same time, many officers of the Berar troops, which had formerly been paid by Messrs. William Palmer and Co. (which, during the Mahratta war, could not have been kept up unless they had been paid and maintained by that house) were borrowing money in the Bazaar at two, three, and even four per cent. per mensem.

278. If this information be correct, it affords a satisfactory proof of the utility of the establishment of your Memorialist's house; for in no one instance was the pay of the troops suffered, by William Palmer and Co., to be in arrear, nor was any advantage taken of any officers, whose exigencies might require temporary assistance. On the contrary, to all those officers to whom Messrs. William Palmer and Co. made advances, the interest charged was merely twelve per cent. the same which Messrs. William Palmer and Co. allowed on balances in their hands; nor were they, until very lately, in the habits of making any charge for agency.

279. Your Memorialist has already stated that the benefit arising from his establishment, and his own individual services, were equally admitted by the British Residents, and the Ministers of the Nizam, until the time when Sir Charles Metcalfe was appointed Resident at the Court of His Highness; nor were the present claims of the house ever disputed, though the accounts were always closely investigated by the Ministers; for on a reference being made to the Minister by Messrs. William Palmer and Co. even subsequent to the complaints which were urged against the house, he fully admitted and authenticated in detail these claims, his correspondence upon the subject was forwarded to Sir Charles Metcalfe on the 7th December, 1822, whether it was forwarded by him to the Supreme Government, or not, your Memorialist has not been informed, and he has not at present any copy of that correspondence; but your Memorialist is satisfied, if left unbiassed, to express his real sentiments, the Minister would still bear testimony in his favour. If there be any truth in the statement which your Memorialist has now submitted to your Lordship, or justice in the arguments which he has ventured to advance, he cannot but feel confident, that he and his partners do not merit the displeasure of the Supreme Government, and may consequently hope to receive that justice at the hands of your Lordship in Council, which will enable Messrs. William Palmer and Co. to recover their demands.

280. If the Supreme Government have entered into any engagement to pay the debts of the Nizam, your Memorialist and his partners humbly and earnestly solicit from the Supreme Government, the payment of that part of their demand which consists of the bonus on the loan of sixty lacs, and of

those sums which have been paid by William Palmer and Co. on account of the pay and pensions of your Memorialist and his family.

281. If no such engagement has been entered into, your Memorialist then asks no active interference on the part of the British Government, he merely asks that the interdiction of intercourse with the Minister may be withdrawn, with an intimation to the Minister that he is left unbiassed and unfettered, by the directions or the wishes of the Supreme Government, to act towards your Memorialist and his partners as the Nizam on reference to him shall direct, and as the Minister shall think justice requires.

282. He asks at all events, that the same kindness may be extended towards Messrs. William Palmer and Co. as to all their demands,

283. He asks for this intimation, to the Minister, as absolutely necessary from the communications which have been already made to him by the British Resident.—Communications which in fact amount to an interdiction of payment of the demands of Messrs. William Palmer and Co. For it is well known, and cannot be denied, that under the relative situations of the Nizam, and the East India Company, an intimation from the British Resident of the wishes, and still more the dread of the displeasure of the Supreme Government, must operate conclusively on the mind of the Minister.

284. Your Memorialist regrets most deeply that he has been compelled to trespass at so much length upon your Lordship's time and attention.

285. He has only been induced to do so from an anxious desire that the whole question with all its bearings, whether operating in favour of, or against your Memorialist, should be placed at one view before your Lordship, under the hope of avoiding further explanation or appeal.

286. Most humbly, but most earnestly does he solicit a patient and deliberate investigation, on the part of your Lordship, of the facts, the circumstances detailed, and of the observations submitted in this his Memorial.

287. He solicits it on his own behalf, and those of his partners, on behalf of a most numerous body of British Constituents, as the only means of averting that ruin, which must inevitably ensue to them all, if the hope which he cannot but confidently entertain, that investigation will dispel the prejudices, which circumstances have raised against him and his partners, shall prove fallacious.

288. He cannot but feel, and trust, that investigation and examination will satisfy your Lordship, that their conduct has been guided by principles of honour, of liberality, and integrity, such as to entitle them to the favourable consideration of your Lordship in Council, and to at least, a removal of those obstacles which stand between them and their claims upon the Government of his Highness the Nizam, and their private debtors in their dominions.

(Signed) W. PALMER.

Calcutta, 12th May, 1824.

Copy of Letter to C. Lushington, Esq., &c. &c.

SIR,

I HAVE the honour to forward to you my Memorial, with an Appendix, put up, on account of their bulk, in separate envelopes, which I request you will have the goodness to submit to the consideration of the Right Honourable the Governor General in Council.

Should his Lordship in Council be pleased to honour the Memorial with a reply, I have to beg that it may be forwarded to me at Hyderabad, &c. &c.

(Signed) W. PALMER.

Calcutta, 12th May, 1824.

APPENDIX.

All the Documents intended to be inserted in this Appendix not having been forwarded to England, it is possible that some omission may hereafter be discovered, though it is believed to be generally accurate.

No. I.

To Henry Russell, Esq. Resident at Hyderabad.

SIR,

HAVING opened a correspondence with several mercantile houses in different parts of India, and ascertained by experiment, the practicability of carrying on commercial concerns with advantage, we are desirous of availing ourselves of the provisions of the commercial treaty, to establish a mercantile firm at Hyderabad. We hope that our concerns may be advantageous to the interests of the Honourable Company's, as well as of the Nizam's country, and that they may contribute, in some degree, to promote the objects which the Legislature had in view, in making the recent provisions for the extension of the Indian trade.

The concerns in which we propose chiefly to engage, are:—

In banking and agency transactions.

In supplying timber from the forests on the banks of the Godavery, for the purposes of ship-building; these forests abounding in timber of a superior size and quality.

We entertain the most sanguine hopes, founded on our own observations and authentic accounts derived from the inhabitants of the Ramghur and Patoancha districts, that we shall be able to open a navigation of four hundred miles during four months in the year, on that river and the Wurda. The opening of this navigation will also facilitate the commercial intercourse subsisting between Berar and the coast.

We are persuaded that our Firm will receive from you every proper degree of countenance and support; but it would contribute to the confidence, as well as the respectability of our concerns, if, under the benefit of your recommendation, the Supreme Government would be pleased to sanction our establishment with its approbation, and to authorize the exertion of the Resident's influence for our security and protection.

Hyderabad,
30th March, 1814.

We have, &c.
(Signed) WM. PALMER and Co.

The figures in the margin refer to the pages in the Hyderabad Papers, which have been recently published in conformity to the Resolution of the Court of Proprietors of East India Stock.

Page 2.

No. II.

To Henry Russell, Esq. Resident at Hyderabad.

SIR,

I AM directed to acknowledge the receipt of your dispatch of the 6th instant, submitting a copy of a letter to your address from Messrs. William Palmer and Co. on the subject of a commercial establishment which they propose to form at Hyderabad.

Page 3.

2. His Excellency in Council is disposed to promote the success of every mercantile enterprize which is likely to prove of general utility to the interests of commerce, by affording facilities to the transaction of trading concerns between his Highness's dominions and the territories of the Honourable Company; and his Lordship in Council will accordingly approve of your affording every proper degree of countenance to the proposed commercial establishment of Messrs. Palmer and Co. *consistently with the provisions of the treaty, and of your recommending it to the favourable consideration of his Highness the Nizam's Government.*

Fort William,
22d April, 1814.

I have, &c.
(Signed) J. ADAM,
Secretary to Government.

No. III.

To the Right Honourable Francis Earl of Moira, K. G. Governor General, &c. &c. &c. Fort William.

MY LORD,

Page 3.

WHEN we addressed your Lordship in Council upon a former occasion, we were persuaded that the establishment of a commercial house here was an object of public utility, and upon that ground, we looked with confidence to the support of your Lordship's Government in our undertaking. The consideration that address met with, did not disappoint our expectations of the view you would take of our application, and we had made no secret of our transactions. We were disposed to think, that the sanction we then received was sufficient for our security, and we acted upon this supposition. We have, however, heard a doubt expressed, whether that sanction was explicit enough to give security to all our money transactions; and any uncertainty upon this subject, is not only injurious to our affairs, but diminishes the degree of benefit which the local Government derives from our establishment. Indeed, this benefit must be mutual, and the value of money, in this part of the world, must rise and fall, in proportion to our credit, which depends upon the public impression of our security. That impression has hitherto been so favourable to us, that we have, to the great advantage of the Nizam's Government, and of the British interests combined with it, established a system of confidence and regularity in the money markets here, which a short time ago could scarcely have been believed practicable. It is not, however, possible that we should carry on transactions so extensive and so general as ours, without being frequently concerned in pecuniary arrangements with the Government itself; and we entreat that your Lordship in Council will, in pursuance of the power vested in you, exempt us from any penalties which we might be subject to under the Act of Parliament, provided that whatever transactions we may have with the Nizam's Government, shall be such as will be approved of by the British Government. We conceive ourselves to stand essentially wide of what was in the purpose of the Legislature, though we now find it doubted whether the letter of the provision might not reach us. We believe that the penalties we allude to were imposed by Act of Parliament, with a view to prevent European subjects from acquiring privately too much influence at Native Courts, and from taking advantage of the necessities of Native Governments, to extort exorbitant interest from them. We feel confident that our transactions cannot lead to either of these objects, and that their immediate operation has no taint of that quality; so that we are precisely in the situation which the Act contemplated, in giving power to the Governor General in Council to exempt from the penalties. Our transactions have always been open and public; and whenever we have considered them as connected with the Government, they have been directly with the Minister, who possesses the confidence and support of the British Government.

The grounds upon which we indulge the hope that we are entitled to especial support and protection from your Lordship, are,

1st. The acknowledged utility of our establishment, (recognised by the Minister and the Resident,) in facilitating and augmenting a traffic, which has been deemed of sufficient importance to be the object of a commercial treaty between the Company's and the Nizam's Governments. This object has been attended with the decided *melioration* in the state of the Ryotts, upon whom the pressure for payments in advance, formerly made by the Nizam, is no longer necessary; and by the reduction of the rates of interest, owing to the preclusion, in a great measure, of the oppressive dealings of the Patans and Gosauns, and has been acknowledged as a benefit of the utmost importance by the Minister.

2ndly. The benefit of our speculations in timber to both Governments, about three thousand logs of teak being annually floated down to the coast by us from the forests on the Godavery, whereas no other persons have been able to turn those vast internal sources of wealth to any purposes of public utility; and the Bengal markets have hitherto been supplied from the shores of aliens and powers, not unfrequently inimical to the British Government.

3rdly. The advantages which will result from our having ascertained the Godavery to be navigable by boats for four hundred miles, whence we expect to establish the practicability of conveying Berar cotton (the best India) by water to the coast. The traffic in Berar cotton was formerly carried on by land to Mirzapore, but given up on account of the exorbitant taxes imposed by the petty Rajahs and Zemindars, and the difficulties and dangers of the road. Having satisfied ourselves as to the Godavery's being navigable from Dhuinapoor to Coringa, by taking boats down at two different periods, we are now employed in ascertaining the practicability of navigating the Wurda, (or as the natives call it, the Puneeta,) from Chanda, in the country of the Rajah of Nagpore, to its junction with the Godavery at Scroucha.

We have every reason to expect success in this undertaking, which has been attended with considerable expense and trouble, and will be productive, in all probability, of great advantage to the commerce of this country.

Hyderabad,
27th June, 1816.

We have, &c.
(Signed) WM. PALMER and Co.

To Messrs. William Palmer and Co. Hyderabad.

GENTLEMEN,

1. I AM directed to acknowledge the receipt of your letter of the 27th of June, requesting the consent and approbation of his Excellency the Governor General in Council, to your doing the several acts from which you would be restrained by the 37 Geo. III. cap. 142, sect. 28, unless consented to and approved of by the Governor General in Council, in writing.

2. The Governor General in Council being satisfied that the interests, both of the dominions of his Highness the Nizam and of the Honourable Company, will be promoted by the success and security of your commercial and pecuniary transactions, as explained in your letter, has been pleased to comply with your application. I am accordingly directed to transmit to you a writing, under the signature of the Governor General in Council, and the seal of the Honourable Company, signifying the permission of the Supreme Government for your performing the acts above referred to, with no other reservation, than it shall be at the discretion of the British Resident at Hyderabad, for the time being, to satisfy himself regarding the nature and objects of the transactions in which you may engage under the permission now accorded.

I have, &c.

Fort William,
23d July, 1816.

(Signed) J. ADAM,
Secretary to the Government.

INSTRUMENT, &c. &c.

WHEREAS the Right Honourable Francis Earl of Moira, Governor General of and for the Presidency of Fort William, in Bengal, in Council, has taken into his consideration the benefits resulting to the Government of his Highness the Nizam, and to the commercial interests of the territories of his said Highness, and of the neighbouring provinces of the Honourable the East India Company, from the transactions and dealings of the firm of Messrs. William Palmer and Co. established at Hyderabad, in the territories of his said Highness, and is of opinion that the maintenance and extension of the dealings and transactions of the said firm of Messrs. William Palmer and Co. are a fit object of the encouragement and countenance of the British Government. These are to certify to all persons whom it may concern, that the said Governor General in Council, does hereby in writing and by virtue of the power in him vested by a certain Act of Parliament, made and passed at Westminster on the 20th day of July, in the year of our Lord one thousand seven hundred and ninety-seven, entitled, "An Act for the better administration of justice at Calcutta, Madras and Bombay, and for preventing British subjects from being concerned in loans to the native Princes in India," give his consent and approbation to the members of the said firm of Messrs. William Palmer and Co. at Hyderabad, doing all acts within the territories of the Nizam, which are prohibited by the said Act of Parliament, to be done or transacted without the consent and approbation of the Governor in Council of one of the governments of the united company of merchants of England trading to the East Indies, first had and obtained in writing, until the said consent and approbation shall in like manner in writing be withdrawn; provided, however, that the said firm of Messrs. William Palmer and Co. shall at all times, when required so to do, by the British Resident at

The Licence.

Hyderabad for the time being, communicate to the said Resident the nature and objects of their transactions with the Government or the subjects of his said Highness the Nizam.

(LS.) Given at Fort William, this twenty-third day of July, one thousand eight hundred and sixteen.

By his Excellency
The Governor General
in Council.

(Signed) J. ADAMS.
Secretary to the Government.

MOIRA.
N. B. EDMONSTONE.
ARCHD. SETON.
G. DOWDESWELL.

No. IV.

MY DEAR PALMER,

THE Persian paper will do very well. The Rajah must be accustomed to the technical language of business, and will of course understand it thoroughly. My objection respecting the cash payments, was not at all against the insertion of the condition in the paper. If it operates as a restraint in Govind Buksh, it will indeed so far do good.

My wish is that you should endeavour in the practical execution of the plan, to manage so well with the tunkhas as to avoid such an alternative. The great difficulty we now have to contend against, and for the removal of which this new plan is principally designed, is the irregularity of Govind Buksh in all his cash payments.

Yours very truly,
HENRY RUSSELL.

29th March.

MY DEAR PALMER,

THE necessity of your having dealings with Govind Buksh follows as a matter of course, from the very principle of the arrangement. Perhaps the most convenient method of introducing that point into the Wajib ool Urz, will be to say in the beginning of the article of which I suggested the alteration "as the establishment, for the employment of its funds, must necessarily engage in separate transactions with Rajah Govind Buksh and others, &c." unless you can hit upon any part where it can be more conveniently introduced.

Yours very truly,
HENRY RUSSELL.

April 2d.

MY DEAR PALMER,

I saw the Rajah yesterday, and proposed our plan to him, telling him frankly what my reasons were for wishing it to be adopted, and going over the principal heads of it with him from your English paper. He not only consented to it, but seemed to be highly pleased with it on his own account. He proposed only one alteration, and that I think a great improvement.

Instead of leaving it to Govind Buksh to issue the tunkhas, he intends either to make his own arrangements with the present Talookdars in Berar, or to appoint new Talookdars of his own choice, and then to grant you the tunkhas himself. This, however, will not require any change in the terms of the Wajib ool Urz, as you think, in the general term "Sukar" only. It is the Rajah's wish, as it is mine, to hold the arrangement in our own hands here, and to leave as little as possible to the authorities in Berar. With this view, I enclose a draft of one article which had better be substituted in the room of the one against which I have set a cross. If you will return the Wajib ool Urz to me copied fair, I will send it to the Rajah for signature.

Yours very truly,
HENRY RUSSELL.

April 2d.

No. V.

To Messrs. W. Palmer and Co.

GENTLEMEN,

IN a dispatch from the Supreme Government, in answer to my report of the arrangement which has been made between you and the Minister, for the payment of the regular and reformed troops in Berar, I have been directed to state, in what degree my sanction was given to that arrangement; whether I considered that my guarantee was implied on the part of the British Government; in what manner the liquidation of the orders granted to you on the revenues of certain districts is secured to you, and on what terms your advances are made. Pages 13, 14, 15, 16.

It is my intention to state in answer to these inquiries, that the arrangement between you and the Minister, was framed with my full knowledge and concurrence, and that I consider you to have entered into it under the assurance of receiving from the Resident that support, which is essentially necessary to the security of your transactions of every description; but that no such guarantee was given or implied on the part of the British Government, as could either impose any pecuniary obligation on the Honourable Company, or require that they should enforce the fulfilment of the Nizam's agreement. As it is necessary, however, that the understanding on this important point should be perfectly distinct, I am desirous to give you the opportunity of making any observations that occur to you on the subject.

Hyderabad,
22d April, 1819.

I have, &c.
(Signed) HENRY RUSSELL, Resident.

To H. Russell, Esq. Resident, &c. &c. &c. Hyderabad.

SIR,

WE have the honor to acknowledge the receipt of your letter of the 22d April, communicating to us that you are directed by the Supreme Government, to state certain particulars regarding the agreement between the Minister and our Firm, for the payment of the Nizam's regular and reformed troops in Berar. In answer to these points, we beg to state, that our agreement with the Minister, having been made with your full knowledge and concurrence, and for the promotion of a public object of some importance to the Honourable Company's Government, which we believe could hardly have been otherwise effected, we considered ourselves entitled to receive from you the fullest support which you could give us, by the exertion of your influence with the Minister. We believe it is unnecessary for us to tell you, that we were by no means influenced to enter into our engagements at Aurungabad, with a view to any considerable pecuniary benefits. We could have employed our capital more advantageously; and our principal object was, to recommend ourselves to the favourable notice of the Supreme Government, by making ourselves useful in promoting your public objects.

We have never understood, that a guarantee of any sort was afforded to us by the British Government, or that any pecuniary liability whatever, on the part of the Honourable Company, was involved, either in the encouragement which you gave to the arrangement, or in the support which we expected from you for our security in the conduct of it. But we must observe, that in a country where there are no regular Courts of Judicature, we never could have established an extensive mercantile concern, without the conviction that we should receive from the Resident that support, which is so essential to the transactions of any British merchant in this country; and that we considered ourselves justified in looking for that support, in consequence of the letters which the Supreme Government was pleased to address to you, on the subject of our Establishment.

We beg to add, that we have no security for the liquidation of the orders granted to us on the revenues of certain districts, beyond the good faith of the Minister, and such an eventual support from your influence, as, from the justness of our demands, and the public utility of our agreement, you may deem it proper to afford us.

With regard to the terms on which our advances are made they will be most fully and distinctly exhibited by the enclosed copy of the written agreement, which was entered into with the Minister.

Hyderabad,
25th April, 1819.

We have, &c.
(Signed) W. PALMER and Co.
b

(ENCLOSURE.)

Substance of a Wajibool submitted by Messrs. W. Palmer and Co. to Rajah Chundoo Loll, consisting of eleven articles, with the Rajah's answers annexed to each article.

NOTE.

The best tunkhas formerly granted to us were on Sareenewas Row, and Karee Moongee Venkut Row, and these Talookdars were allowed one month's grace from the time that the tunkha became due; and at the expiration of that period, Soucar's bills and private bills on their own Fotedars were given by them payable at one month's sight. Ruffatool Moolk, who is the most regular Talookdar, pays in the same manner the kist due by him, at the end of the year, having still a more protracted period of payment.

1. It will be necessary for the establishment of a Banking-house at Aurungabad, with means competent to make a monthly loan of two lacs of rupees, for the payment of the troops in Berar, that the capital should not be less than 20,00,000 rupees; for although the tunkhas are considered as becoming due quarterly, payment on them is not realized usually till the expiration of five months.

Answer 1. It is essentially necessary that an establishment be formed at Aurungabad for the payment of the troops.

2. It will be required that the Minister in consideration of the loan of twenty-four lacs of rupees to be made within the year, should grant tunkhas to the amount of thirty lacs of rupees, the extra six lacs being required to cover deficits in the revenues, to cover interest, and to give facility to the establishment to make the required monthly payments. It is presumed this arrangement, even, will leave no balance, from the circumstances enumerated, and from the delays in payment in favour of the Minister.

Answer 2. In conformity to the requisition of the house, tunkhas to the amount of thirty lacs shall be annually assigned to it. But such balances as shall remain due to Government after the payment of the principal sum advanced to the troops, and interest on it, shall be carried out to the accounts of the succeeding year.

3. Such portions of the tunkhas as shall not have been paid at the expiration of the third month of the following Fuslee year, to be reimbursed to the house by a payment in cash at Aurungabad.

Answer 3. Tunkhas to an amount of thirty lacs shall be given. Should a balance still exist in favour of the house, it shall be paid in cash, three months after the expiration of the year. The collections of the revenues of the districts in Berar, commence in Sawan and end in Chyt.

4. It will be required that the Minister should furnish the best tunkhas, and that the Aurnils should be urged to adhere to regularity in their payments, as it will otherwise prevent the House by a deficiency of its funds, from making the payment with punctuality.

Answer 4. The best Tunkhas will be granted, and the Talookdars shall be particularly directed to close their payments within the year.

5. It will be necessary that every possible accommodation be given to the house, in respect to the currencies which it shall issue for the required monthly advances; for, from the known deficiency of a circulating medium, and the variety of coins in circulation, it is apprehended that the house may occasionally find it impracticable to procure a particular currency; and as a specie is made on that account, a marketable commodity bearing a fluctuating value in proportion to the existing demand, it becomes necessary, that the house keep its accounts in some fixed currency, to be hereafter determined upon, and that entries upon the score of premium and discount be admitted.

Answer 5. You are directed to pay the troops in the coinage of Aurungabad, and Hyderabad, the halle zoolferaree, which is current coin of the country. If you receive other currencies from the districts, you will enter the difference of exchange to the credit or debt of the sircar.

6. That in the event of payments being to be made to detachments at a distance from Aurungabad, by bills, the commanding officer be directed to receive payments from the house in specie, and negotiate his own bills, thereby saving the house from incurring a responsibility on the bills. If it be found convenient to possess the security of the house on this transaction, that a charge of one per cent. on *del credere* be allowed to it, on the consideration of its being required to cover it from an eventual loss.

Answer 6. The commanding officer may take the money; but if he receive bills from the house, one per cent. shall be allowed to it, besides the exchange which such bills may bear.

7. To give facility and security to the negotiation of its bills, the house will endeavour to enter into correspondence with Soucar's houses at all the considerable mercantile places.

Answer 7. Let the house establish a correspondence, to give facility to a negotiation of bills.

8. That the commanding officer be required to receive payments fifteen days in advance, in such sums, not under ten thousand rupees as the house may find convenient to make, and that a period of one month from the time of the pay becoming due, be granted to it, for completing its payments.

Answer 8. Agreed to

9. As the establishment for the employment of its funds, must necessarily engage in transactions unconnected with the payment of the troops, it is requested that the same protection which is afforded to the house at Hyderabad, be given to its transactions at Aurungabad.

This article becomes necessary, as the house is compelled to collect specie whenever it can, of which it has no means of disposing.

We have not been able to engage in other transactions, from circumstances connected with Rajah Govind Buksh's

Answer 9. The same support which is given to you here, will be afforded to you there.

10. That Rajah Govind Buksh, to whom a direct and frequent reference will be necessary, be requested to afford his protection to the establishment, and to forward the views and traffic of the house.

Answer 10. Rajah Govind Buksh, shall be directed to give his support to all your transactions.

11. That the house be permitted to advance money to the troops, subject to a limitation of the amount by their immediate commanding officer, and that such advances be deducted from the monthly stipulated payment.

Answer 11. As the advances will be made with the permission of the commanding officer, he will be directed to deduct the amount from their pay and give it over to you.

(Signed)

W. PALMER and Co.

No. VI.

To Messrs. Wm. Palmer and Co.

GENTLEMEN,

Hyderabad, 18th May, 1820.

THE minister has communicated to me his correspondence with you, regarding the loan which he is desirous of negotiating through you, for purposes connected with the improvement of the affairs of the Nizam's Government. As it is necessary that I should submit the papers to the consideration of Government, I request that you will enable me to describe the nature and extent of the sanction, which you state in your reply to the Minister's first communication, that you require from the Resident, to enable you to engage in the transaction.

I have, &c.

(Signed)

H. RUSSELL, Resident.

To H. Russell, Esq. Resident, at Hyderabad.

SIR,

WE have the honour to acknowledge the receipt of your letter of yesterday's date. By the sanction which we require from the Resident, we do not mean to imply any security by which the British government would be responsible for the money we should lend to the Minister: all we require is, the certainty that the Resident will use *his influence to prevent our being defrauded*, or any misappropriation made of the revenues of the Talookdars, on which we are to have assignments. We shall never require that influence to be exerted beyond the point to which the Resident can go, without making it a subject of discussion between our Government and his *Highness the Nizam's*.

Hyderabad,
19th May, 1820.

We have, &c.

(Signed)

W. PALMER and Co.

To H. Russell, Esq. Resident at Hyderabad.

SIR,

1. I have the honor to acknowledge the receipt of your dispatch of May 19th.
2. The Governor General in Council, authorizes you to sanction the loan of 60,00,000 rupees which the Nizam's Government proposes to obtain from the house of William Palmer and Co.
3. The terms of the loan are not mentioned in your despatch, but his Lordship understands, that an assignment of sixteen lacs of rupees per annum, will discharge the interest, and pay off the principal within six years.
4. His Lordship is very happy to observe that this measure will enable the Nizam's Government to effect a reduction of expense, to the extent immediately of nine lacs per annum, and eventually of twenty-five.

I have, &c.

Fort William,
15th July, 1820.

(Signed)

C. T. METCALFE,
Secretary to Government.

disposition towards us, and from the previous occupation by certain Soucars, of the traffic of Berar, with whom Rajah Govind Buksh, is supposed to have a participation, as we have before explained to Mr. Russell, and we consequently suffer an occasional loss from an unoccupied capital.

This arrangement principally bears a reference to the house to enable the men to mount themselves. Captain Davies, the officer commanding the reformed horse has found this arrangement a very considerable accommodation to the men of his corps.

Page 42.

Page 55.

No. VII.

To Messrs. William Palmer and Co.

GENTLEMEN,

Pages 145 and 146.

1. I have been directed by the Governor General in Council in pursuance of orders from the Court of Directors, to refuse the sanction of the British Government to any further pecuniary engagements on your part, with the Nizam individually, or with his Highness's Government.

2. I have been, at the same time, desired to impart the tenor of this order to you privately, in order that no misconception may be created, which could injuriously affect your credit.

3. I have been also instructed further to intimate to you the inhibition of the Governor General in Council to your making or meeting henceforth any overture for a pecuniary transaction with the Nizam, or his Government, and to warn you that any attempt on your part in contravention of this notice will be proceeded against as a heavy offence.

4. In addition, I am commanded to require of you an acknowledgment in writing, of your receipt of this communication, and of your understanding that it cancels the licence, dated the 23rd July, as to any future purpose.

5. The Governor General in Council understands that the firm of your house consists of the following persons, viz :—

Mr. William Palmer, a native of India;

Mr. William Hastings Palmer, ditto;

Sir William Rumbold, Bart. English;

Mr. George Lamb, ditto

And a native subject of the Nizam, whose name is not known.

6. Having been ordered to ascertain and report whether the above list be correct, and to add the names of any other persons who may be partners in the house, I beg that you will favour me with the requisite information on these points.

7. Moreover it is my duty to request of you a statement of your pecuniary transactions with the Nizam's Government, excepting the late loan, and the provision of funds at Aurungabad for the payment of troops, *these latter having been already reported to Government.*

Hyderabad,
1st January, 1821.

I have, &c.
(Signed) C. T. METCALFE,
Acting Resident.

To C. T. Metcalfe, Esq. Resident, Hyderabad.

SIR,

Pages 146 and 147.

WE have the honour to acknowledge your letter of the 1st January, prohibiting us from any further pecuniary engagements with the Nizam individually, or with his Highness's Government, and communicating to us that the licence, dated the 23rd July, which has been granted to us, was cancelled as to any future purpose.

Aware how injurious public discussions of our affairs must be to us, we feel grateful for the consideration which has induced the Governor General in Council to suggest the second paragraph of your letter.

We beg to state to you, for the information of the Governor General in Council that we have not entered into any considerable transactions with the Nizam's Government, without having first submitted them to the Supreme Government for its approval; and we consider ourselves fortunate, that in the sanction which has been given to these, Government have been pleased to admit the benefits which have resulted from them to the interests of his Highness the Nizam's country. We also beg to submit to you, that the arrangements for the payment of the troops in Berar acquiesced in the views of the political Agent and the Resident, and that we entered at a time inconvenient to us, into these engagements, which we are taught to believe were essential to the existence of the troops, *from our desire to be useful*, and to *strengthen our claims to the future protection* of our Government. This view of the question, we beg to add, was adopted and repeatedly urged to us by the Resident at this court. Under these circumstances, we think it peculiarly hard, that though, while we were possessed of a general licence from Government, we still continue to prove by submitting those transactions, which we thought important to Government, how little disposed we were to abuse it, it should nevertheless have been connected with an appearance of distrust towards us, and at the hazard of bringing disrepute and discredit on us. We cannot but consider the terms used in the third paragraph of your letter as peculiarly hard, and we beg humbly to submit to Government whether they will not admit of some modification.

However we may endeavour to meet the spirit of these orders, we cannot but

fear (in a country where every thing is arbitrary and emanates immediately from Government), the utter impossibility of carrying on transactions whether banking or commercial, without subjecting ourselves to what may be considered an infringement of the strict letter of your orders. Had the Government simply desired us to refrain from future loans to his Highness's Government, we humbly conceive that it would have secured every purpose they can have in view, without occasioning embarrassment to our establishment.

The Firm of our house consists of
 Mr. William Palmer, a native of India;
 Mr. Hastings Palmer, ditto;
 Sir William Rumbold, Bart. English;
 Mr. George Lamb, ditto; and
 Bunketty Doss, a native subject of the Nizam.
 We have no other partners.

We have no transactions with the Nizam, or his Government, but those in favour of which the exception has been made, and such as have arisen out of the advances to the troops at Aurungabad. The deficits in the payment of the Tunkhas appropriated for the discharge of the advances made to those troops, left a balance at the end of the last Fuslee year 1229, somewhat exceeding thirteen lacs of rupees. The Minister was engaged by his agreement to have paid us this sum in cash, which at that period would have been of great convenience to us to have received, as we were compelled to pay a high rate of interest for money to complete the loans we have recently made: but co-operating with the views of Government, for the improvement of the country, which has always been an object with us, and knowing that the payment of our balance would interfere with the reduction and remission of rent which the Minister is making, we neither urged the performance of his engagement, nor required orders on the revenues of the country for the present Fuslee year. The Minister is, however, under engagement to give us orders on the revenues of the ensuing year.

We have no other transactions directly with the Nizam or his Government; but we beg to mention those in which the Government may be considered a party.

First. We have lent a sum of eight lacs of rupees to Shar Yar-ool Dowlah, to enable him to carry into effect the same system of reform in his jagheers, which has been recommended to the Minister. The dilapidated state of his country, his troops having fallen into arrears, and his necessities destroying the means of improvement, induced us to make this loan. The Minister is guarantee: but we have no doubt from Shah Yar-ool Dowlah's respectability, and the improveable condition of the country, that this debt will be punctually discharged by him within the stipulated period of four years.

Second. A loan of two lacs of rupees has been made to Rao Nanack Ram by desire of the Minister, for the improvement of those districts on which we hold our tunkhas of sixteen lacs of rupees per annum, for the repayment of the loan recently made by us to this Government.

Third. A loan of a lac and a half of rupees made to Munsoor Khan, by desire of the Minister, for the improvement of his talookas, under a promise that he, the Minister, will hold himself responsible to pay the amount, if Munsoor Khan be dispossessed of his talookas before the debt is discharged.

Fourth. A bill on Doola Khan for a lac of rupees discounted to the Minister.

Fifth. An engagement to pay to the Minister's order during this year a sum not exceeding 14,000 rupees per month, for which we hold tunkhas on Doola Khan. We are not aware of the precise purpose of this payment; but we understand it to be a disbursement on account of some of the Nizam's household, about which the Minister is anxious to be punctual.

Sixth. A loan of 60,000 rupees to Noor-ool Omrah, made under similar circumstances with that to Shah Yar-ool Dowlah.

Seventh. Pensions of about 2,000 rupees per month to the families of the Nizam's officers who were in the service previous to the reform of the troops.

Hyderabad, We have, &c.
 15th January, 1821. (Signed) W. PALMER and Co.

To Messrs. William Palmer and Co.

GENTLEMEN,

I have the honour to transmit for your information the accompanying extract of a letter from the Supreme Government.

I have the honour, &c. &c.

(Signed) C. T. METCALFE, Resident.

Extract from a Letter from the Supreme Government, to C. T. Metcalfe, Esq.
dated Fort William the 10th February, 1821.

Page 143.

"I am directed to acknowledge the receipt of your letter dated the 21st ultimo, containing the copy of one which you addressed to Messrs. William Palmer and Co. in consequence of instructions from this Government, with a copy of a reply from that firm."

2. "It was necessary towards the fulfilment of the above instructions that your language should be strong and precise. But Messrs. William Palmer and Co. have erred in construing the tenor of the third paragraph in your letter to be rigorous, if not oppressive. The pleasure of the Court of Directors has been signified that no more loans should be made by the firm to the Nizam or his Minister; and it was incumbent on his Lordship in Council to communicate the interdict in such terms as should not leave room for any possible misapprehension. At the same time nothing can be more remote from the intentions of this Government than to impose any shackle on the commercial dealings of the house. The prohibition could never be meant by the Honourable Court or by the Governor General in Council, to apply to transactions purely commercial, even though they should be with the Government of the Nizam. It is only requisite in the latter case, that reference should be made to your judgment, lest the engagement should operate as an unpurposed evasion. These restrictions ought not to be considered by the house as conveying the shadow of imputation on their integrity. *Perfectly sensible of the advantage reaped by the Nizam and his subjects from the aids furnished by Messrs. William Palmer and Co. the Governor General in Council cannot but be disposed to ascribe thorough fairness to their dealings, so that an oblique impeachment of their conduct would be altogether inconsistent.*"

3. The advances specified in the sixth Items enumerated by Messrs. William Palmer and Co. appear to the Governor General in Council consonant to the principles which had the general assent of this Government. The faith plighted by the Minister that he could not, without answering to Messrs. William Palmer and Co. for the sum, dispossess the borrower of that tenure, on the strength of which alone the House furnished money to restore the cultivation of the district, is a simple and natural pledge liable to no suspicion of incorrectness. A reliance on the honour of the Minister, which is all the amount of reference to him, is not meant to be invalidated in those instances; the engagements in them, having been made before any supposition could be entertained of an objection on the part of the Honourable Court to the transactions of the House generally with the Nizam's Government. Such an objection having been signified, it must be construed to extend (though possibly with some strain of interpretation) even to such an assurance from the Minister as is above alluded to; consequently you are not to sanction in future any transaction involving his intervention however remote.

(A true Extract)

Signed

C. T. METCALFE, Resident.

No. VIII.

To Messrs. William Palmer and Co.

GENTLEMEN,

Pages 197 and 198.

As the course of my duty will probably lead me to submit to the Governor-General in Council a scheme for the reduction of the interest of the public debt of the Nizam's Government, or in other words, for the payment of the present debt by the substitution of another, bearing a lower rate of interest; and as you are deeply and principally concerned in the debt now existing, I think it due to you to give you the earliest notice of my views in that respect, in order that you may be prepared for such a measure, if it be carried into effect, and that you may previously have an opportunity of stating your objections to it, if you conceive that it would in any degree violate your rights, or injuriously affect your interests, to so great an extent as to entitle you to a suspension of the design, or to peculiar consideration in the proceedings which may be instituted for its execution.

2. It being beyond my power to anticipate either the decision of the Governor-General in Council, on the proposition which I may submit, or the result of any measure that may be attempted for the purpose above-mentioned, it is not impossible that my intentions may have no consequence, and that the present notice may prove to have been gratuitous and unnecessary, I trust, however, that in any event you will justly appreciate the motives of this address; and I scarcely need add, that I shall be most happy if the measure which appears to me to be so desirable for the Nizam's government, should also seem to you to be concordant with your interest.

Hyderabad,
19th March, 1821,

I have, &c. &c.

(Signed)

C. T. METCALFE, Resident.

To C. T. Metcalfe, Esq. Resident, &c. &c.

SIR,

WE have the honour to acknowledge the receipt of your letter of the 19th March.

We have delayed replying to it, as the proposition it contains was so little contemplated by us, we were not able to bring our minds at once to bear upon the question.

Regarding the loan as a contract for a specific period, the whole of our measures, since the arrangement took place, have been made under that impression. To enable us to carry the negotiation into effect, we were obliged to give up the greater part of our minor transactions, which were generally the most profitable; and indeed, in a great measure, not only to render our other transactions subservient to this object, but to change the whole system of our operations.

The loan was therefore an arrangement which we should have entered into with considerable hesitation, but for the consideration that the profits were protracted to a specified period of years, and for the additional security which, although perhaps the mere influence of a name, the sanction of the Company's Government had given to the transaction, we adverted with the fullest reliance to the position, that this transaction being a recognition of our services, attended with acknowledged benefits to his Highness the Nizam's Government, in all future relations bearing upon our interests, we should find a due consideration for ourselves, in the liberality of either Government.

We have consequently embarked our fortunes so completely in this adventure, by giving up, as we have done, our former branches of profit, which have now passed into other hands, that we can only view the measure, if carried into sudden operation, as one inevitably tending to effect the total ruin of our establishment.

But as it has ever been our desire to co-operate in any measure which has for its object the benefit of this country, we shall readily enter into any arrangement which you may propose, relying with full confidence upon your liberality and justice for the future consideration and adjustment of our claims.

We beg to assure you, that we are fully sensible of the kind consideration you have shewn to us in your letter.

Hyderabad,
14th April, 1821.

We have, &c.
(Signed) W. PALMER and Co.

No. IX.

To Messrs. William Palmer and Co.

GENTLEMEN,

1. I have the honour to transmit, for your information and guidance, the enclosed Page 161.
extract from orders issued to me by his Excellency the Governor-General in Council.

2. The penalties therein alluded to, I understand to be those of the 37th Geo. III. cap. 142, sect. 28.

Hyderabad,
24th June, 1822.

I have, &c.
(Signed) C. T. METCALFE, Resident.

(ENCLOSURE.)

Extract from a Dispatch from the Secretary to the Governor-General in Council, dated Fort William, 7th June, 1822.

THE arrangements made by the house of Messrs. William Palmer and Co. with Chundco Loll, for the payment of the regular battalions and reformed horse in Berar, not having received the sanction of the Honourable Court of Directors, his Excellency the Governor-General in Council, in conformity with their orders, directs that the arrangement in question shall cease to have operation on the receipt of these instructions, or as soon after as may be practicable.

You will be pleased to convey an intimation to this effect to Messrs. William Palmer and Co., apprizing them of the penalty attached to disobedience of the Honourable Court's orders.

I am further directed to desire, that you will state to Rajah Chundoo Loll, and to Messrs. William Palmer and Co., that the spirit of the orders of the Honourable Court applies no less to the transactions enumerated in the concluding paragraph of the letter of Messrs. William Palmer and Co., dated 15th January, 1821, to your address, as far as the Minister or the Government of the Nizam are concerned in them, than to the affair which forms the immediate subject of the Honourable

Extract from a Letter from the Supreme Government, to C. T. Metcalfe, Esq.
dated Fort William the 10th February, 1821.

Page 143.

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3. The advances specified in the sixth Items enumerated by Messrs. William Palmer and Co. appear to the Governor General in Council consonant to the principles which had the general assent of this Government. The faith plighted by the Minister that he could not, without answering to Messrs. William Palmer and Co. for the sum, dispossess the borrower of that tenure, on the strength of which alone the House furnished money to restore the cultivation of the district, is a simple and natural pledge liable to no suspicion of incorrectness. A reliance on the honour of the Minister, which is all the amount of reference to him, is not meant to be invalidated in those instances; the engagements in them, having been made before any supposition could be entertained of an objection on the part of the Honourable Court to the transactions of the House generally with the Nizam's Government. Such an objection having been signified, it must be construed to extend (though possibly with some strain of interpretation) even to such an assurance from the Minister as is above alluded to; consequently you are not to sanction in future any transaction involving his intervention however remote.

(A true Extract)

Signed C. T. METCALFE, Resident.

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To Messrs. William Palmer and Co.

GENTLEMEN,

Pages 197 and 198.

As the course of my duty will probably lead me to submit to the Governor-General in Council a scheme for the reduction of the interest of the public debt of the Nizam's Government, or in other words, for the payment of the present debt by the substitution of another, bearing a lower rate of interest; and as you are deeply and principally concerned in the debt now existing, I think it due to you to give you the earliest notice of my views in that respect, in order that you may be prepared for such a measure, if it be carried into effect, and that you may previously have an opportunity of stating your objections to it, if you conceive that it would in any degree violate your rights, or injuriously affect your interests, to so great an extent as to entitle you to a suspension of the design, or to peculiar consideration in the proceedings which may be instituted for its execution.

2. It being beyond my power to anticipate either the decision of the Governor-General in Council, on the proposition which I may submit, or the result of any measure that may be attempted for the purpose above-mentioned, it is not impossible that my intentions may have no consequence, and that the present notice may prove to have been gratuitous and unnecessary, I trust, however, that in any event you will justly appreciate the motives of this address; and I scarcely need add, that I shall be most happy if the measure which appears to me to be so desirable for the Nizam's government, should also seem to you to be concordant with your interest.

Hyderabad,
19th March, 1821.

I have, &c. &c.
(Signed) C. T. METCALFE, Resident.

To C. T. Metcalfe, Esq. Resident, &c. &c.

SIR,

WE have the honour to acknowledge the receipt of your letter of the 19th March.

We have delayed replying to it, as the proposition it contains was so little contemplated by us, we were not able to bring our minds at once to bear upon the question.

Regarding the loan as a contract for a specific period, the whole of our measures, since the arrangement took place, have been made under that impression. To enable us to carry the negotiation into effect, we were obliged to give up the greater part of our minor transactions, which were generally the most profitable; and indeed, in a great measure, not only to render our other transactions subservient to this object, but to change the whole system of our operations.

The loan was therefore an arrangement which we should have entered into with considerable hesitation, but for the consideration that the profits were protracted to a specified period of years, and for the additional security which, although perhaps the mere influence of a name, the sanction of the Company's Government had given to the transaction, we adverted with the fullest reliance to the position, that this transaction being a recognition of our services, attended with acknowledged benefits to his Highness the Nizam's Government, in all future relations bearing upon our interests, we should find a due consideration for ourselves, in the liberality of either Government.

We have consequently embarked our fortunes so completely in this adventure, by giving up, as we have done, our former branches of profit, which have now passed into other hands, that we can only view the measure, if carried into sudden operation, as one inevitably tending to effect the total ruin of our establishment.

But as it has ever been our desire to co-operate in any measure which has for its object the benefit of this country, we shall readily enter into any arrangement which you may propose, relying with full confidence upon your liberality and justice for the future consideration and adjustment of our claims.

We beg to assure you, that we are fully sensible of the kind consideration you have shewn to us in your letter.

Hyderabad,
14th April, 1821.

We have, &c.
(Signed) W. PALMER and Co.

No. IX.

To Messrs. William Palmer and Co.

GENTLEMEN,

1. I have the honour to transmit, for your information and guidance, the enclosed Page 161.
extract from orders issued to me by his Excellency the Governor-General in Council.

2. The penalties therein alluded to, I understand to be those of the 37th Geo. III. cap. 142, sect. 28.

Hyderabad,
24th June, 1822.

I have, &c.
(Signed) C. T. METCALFE, Resident.

(ENCLOSURE.)

Extract from a Dispatch from the Secretary to the Governor-General in Council, dated Fort William, 7th June, 1822.

THE arrangements made by the house of Messrs. William Palmer and Co. with Chundoo Loll, for the payment of the regular battalions and reformed horse in Berar, not having received the sanction of the Honourable Court of Directors, his Excellency the Governor-General in Council, in conformity with their orders, directs that the arrangement in question shall cease to have operation on the receipt of these instructions, or as soon after as may be practicable.

You will be pleased to convey an intimation to this effect to Messrs. William Palmer and Co., apprizing them of the penalty attached to disobedience of the Honourable Court's orders.

I am further directed to desire, that you will state to Rajah Chundoo Loll, and to Messrs. William Palmer and Co., that the spirit of the orders of the Honourable Court applies no less to the transactions enumerated in the concluding paragraph of the letter of Messrs. William Palmer and Co., dated 15th January, 1821, to your address, as far as the Minister or the Government of the Nizam are concerned in them, than to the affair which forms the immediate subject of the Honourable

Court's demands. You will therefore signify to these parties the necessity of their bringing the transactions in question to a speedy arrangement, either by the final close, or by a complete emancipation of the Minister from all guarantee, direct or indirect, of these engagements respectively. All future engagements involving, however remotely, the intervention of the Minister, have already been interdicted by my letter of the 10th February, 1821.

To C. T. Metcalfe, Esq. Resident, Hyderabad.

SIR,

Page 172.

We have the honour to acknowledge the receipt of your letter of the 24th June, enclosing extracts from orders by his Excellency the Governor-General in Council.

We have proceeded to act upon these orders, and have directed the branch of our establishment at Aurungabad to cease its transactions with the Nizam's Government for the payment of the troops. We beg to submit to you that there is a large balance due to us from the Nizam's Government, for the payments already made within the year.

We should be most happy to bring the transactions enumerated in our letter of the 15th January, 1821, to you, to a close; but we beg to inform you, that from the involvements of the parties with whom our engagements are formed, as principals we can see no prospect whatever, from our own efforts, of effecting this object immediately. We will omit no exertions to pay the strictest obedience to the orders of the Governor General in Council, and to emancipate the Minister from his guarantees, for which purpose we shall press the parties either to close their transactions with us, or to give us other competent securities.

Hyderabad,
3d July, 1822.

We have, &c.
(Signed)

W. PALMER and Co.

No. X.

To Messrs. William Palmer and Co.

GENTLEMEN,

Hyderabad, 4th October, 1822.

By command of his Excellency the most noble the Governor-General, I have the honour to transmit, for your information, the accompanying observations on the part of his Lordship.

2. I shall be happy to receive and convey to his Lordship whatever explanation you may wish to offer on the subject.

3. You are not of course considered responsible for the conduct of the Nizam's Government, nor expected to explain any other than your own proceedings.

4. It is necessary to apprise you with reference to some of the accompanying observations, on the part of His Excellency the Governor General in council, that they arise out of accounts furnished by the Nizam's Minister, on my application in consequence of an enquiry into the state of the finances of this Government, exhibiting balances against the Government, and in your favour on the 24th January, 1822, as follows:—

No. 1. Sixty Lac Loan account	- - - -	Rupees 58,20,814,13
No. 2. Separate account	- - - -	Rupees 26,71,377,6

I have, &c.

(Signed)

C. T. METCALFE, Resident.

Extracts from a Dispatch from the Secretary to Government, dated 13th September, 1822.

Pages 186 to 190.

I now proceed by command of His Excellency the Governor General in Council, to reply to your dispatches of the 29th of July, and 1st of August, of which the receipt was acknowledged under date, the 24th ultimo.

Their contents are calculated to excite sentiments of extreme surprise and displeasure, in the mind of His Lordship in Council, at the conduct of the house of W. Palmer and Co., and of the Minister Rajah Chundoo Loll. A conclusive judgment of course is not formed, while there is a possibility that Messrs. W. Palmer and Co. who have had no opportunity to answer, might shew the existence of misapprehension in the statement. But at present, there is strong presumption that those gentlemen have been engaged in extensive pecuniary dealings, unknown to the Resident or

the British Government, while they were professing to make a frank and unreserved disclosure of all such transactions existing between them. Even with regard to the loan of sixty lacs, an account of which is now submitted, there is ground to suspect the most culpable misapplication of the funds, specifically assigned for payment of the principal and interest of that debt; since instead of the reduction of debt, which was calculated to take place annually, by the application of the produce of the Tunkhas, furnished to the house, the balance due to them in January, 1822, exceeded the amount of cash advanced in a sum of upwards of *six Lacs of Rupees*.

3. The sums originally received in account of that loan appear also to have been grossly misapplied. The Governor General in Council has on this occasion referred to your dispatches of the 17th of March, and 5th of April, 1821, the former exhibiting the Minister's statement of the appropriation of the proceeds of the loan, and the latter reporting the fact of a considerable sum allowed to the house by way of bonus, to which further reference is made in the letter of the 1st of August, now replied to. When the proposition for the loan was first submitted by the late Resident, the Governor in Council was solicited to give his sanction to the arrangement on the plea, that the command of a considerable sum of ready money was requisite to enable the Minister to carry into effect, some measures of reduction necessary to the success of the plans of reform then in progress. It was stated that besides the liquidation of certain old debts bearing a high rate of interest, and the saving of annual outlay, that would thus be effected, establishments were to be paid up and discharged or reformed, so as to create an annual saving of twenty-five lacs of rupees. It appears however, from the account rendered by the Minister, as reported in your dispatch of the 17th of March, 1821, that of the amount borrowed from Messrs. W. Palmer and Co. then stated, (though as it since appears erroneously,) at sixty-seven lacs of Hyderabad rupees, a sum little short of twenty-nine lacs, was applied to the payment of former loans, from the same house, (supposed to be a part of the old debt at high interest above alluded to,) and rupees 13,27,528, to the discharge of debts due to native bankers, bearing an interest of twenty-four per cent., and that of the remainder a sum of less than sixteen lacs went to the payment of arrears to troops, some of whom, as the Minister states were retained, though a great proportion was discharged. All the rest was expended in a manner the permanent benefit of which, to the state must be limited in degree, if not doubtful, however it might have relieved the Minister from temporary pressure. It further appeared from a subsequent statement of the Minister, that a bonus of eight lacs of rupees was allowed to Messrs. W. Palmer and Co. in this transaction, constituting a solid addition to the debt, for which no equivalent was received by the Nizam, and bearing interest at eighteen per cent. to be settled half yearly like the rest of the loan.

4. The statement of the amount and appropriation of the loan from which the above is taken is however essentially erroneous, since it appears from the account now furnished, which is presumed to be more correct, that the total nominal amount of the loan was only sixty lacs of rupees, so that, deducting the bonus of eight lacs, which is still admitted, and the amount of Messrs. Palmer and Co.'s old debt if that were correctly stated in the first account, the sum to be paid to the Minister, would not have exceeded twenty-three lacs. It may be inferred, however, that the sum stated in the first account to be paid to Messrs. W. Palmer and Co. in account of their old debt was overcharged, or that the amount of that debt was upwards of forty three lacs of rupees even at that time, as it now appears that a balance of rupees 14,70,191, bearing interest at twenty-four per cent. to be settled half yearly, forms the foundation of the account No. 2, inclosed in your dispatch, of the 1st August.

5. What is the real state of the case with respect to the appropriation of the monies actually received by the Minister is not apparent. His first account of it, as reported in your letter of the 17th of March, 1821, cannot be correct, for it is entirely silent with regard to the bonus, and independently of that transaction, there is an error of seven lacs in the aggregate amount. It is doubtful also whether any part of it was applied, so the permanent reduction of establishment, and whatever advantage may have been gained by the temporary diminution of interest on Messrs. W. Palmer and Co.'s old debt, was speedily lost by the rapid accumulation of a new balance in terms scarcely if at all less burthensome than the old.

7. The conduct of the house of Messrs. W. Palmer and Co. with respect to the bonus is considered by the Governor General in Council, to be in the highest degree reprehensible, and the concealment both by the house and by the Minister, of the real condition of the loan, while they were seeking the sanction of the British Government, to the arrangement, and professing to put it in possession of the details of the transaction, admits of no excuse or palliation, and justifies the inference of a culpable collusion between those parties.

10. On the subject of the account No. 2, inclosed in your dispatch of the 1st of August, I am directed to make the following observations. On the transmission to you of orders for annulling as to the future, the license granted to Messrs. W. Palmer and Co. on the 23rd July, 1816, they were called upon to declare what transactions actually existed between them and the Nizam's Government. In their reply dated the 15th of January, 1821, after referring to the loan of sixty lacs, and the Aurungabad arrangement they proceed to say: We have no other transactions directly with the Nizam or his Government, but we beg to mention those in which the Government may be considered a party: and they then enumerate different loans and advances,

either to the Minister, or on his guarantee, amounting in the aggregate to about thirteen lacs of rupees, besides monthly payments for a period not specified, to the amount of sixteen thousand rupees. It is for Messrs. W. Palmer and Co. to reconcile the statement in that letter, with the transaction specified in the account No. 2, inclosed in your letter of the 1st of August, and you will accordingly be pleased to call on them, for an explanation of this extraordinary proceeding.

11. The only items in that account which imply any arrangement permanently beneficial to the Nizam's Government, are the advance of rupees 4,25,579, to enable the Government to dismiss the troops under Noor ooll Omrah, and another, small payment for a similar purpose. Of the rest, some seem to be loans for temporary and occasional purposes of which the necessity is not explained, and some for objects of which the utility cannot be comprehended, while the Minister refuses all information. Among them is a large monthly allowance to Mr. W. and Mr. H. Palmer, two members of the house of W. Palmer and Co. and stipends to the children of the former. These payments to persons who, must be presumed to be unconnected with the Government and service of the Nizam strike the Governor General in Council, as of a very singular nature, more especially with reference to the situation of the two Messrs. Palmer, and the large pecuniary dealings which as members of the house of W. Palmer and Co., they have with the Minister.

12. Had these salaries or whatever these payments are, been known to the Governor General in Council, his Lordship in Council would naturally have hesitated to give his sanction to extensive loans and advances from persons so circumstanced to the Nizam's Government. As it is, these payments are liable to the supposition of their being a premium on the loans in addition to the bonus above referred to, or they must be ascribed to the exercise of an influence over the Minister effected by means of these pecuniary obligations of the latter, and directed to the gratification of the cupidity of the parties. The transaction in its present form bears a very unpleasant appearance and requires a satisfactory explanation, to remove the suspicion unavoidably resting upon it.

(True Extracts)
(Signed)

H. L. BARNET,
Assistant Resident.

To C. T. Metcalfe, Esq. Resident, &c. &c. &c. Hyderabad.

SIR,

Page 273 to 277.

WE have the honour to acknowledge your letter of the 4th instant, with the enclosed extract from the dispatch, from the Secretary to Government, dated 13th September, 1822. We have felt the deepest sorrow at finding the view which the Governor General has taken of our conduct, and we beg to assure you that the injury we have sustained, and must expect to suffer, from the loss of the confidence and consideration on the part of our Government, which we formerly enjoyed, has scarcely given us so much pain, as the fact, that while our prospects are darkened, we must cease to indulge in the reflection, that we had credit for the liberality which has influenced our conduct. We must always think that we have been great benefactors in this country, and we feel the censure upon our conduct the more bitterly on this account. We lament that the testimony in our favour of all those persons who had the opportunities of judging of the general tendency of the transactions of the house, at a time when its services were so great and important, should be forgotten. The opinions of these persons were formed upon general knowledge and facts of which they alone can judge, from acquaintance with the state of this Government and of its credit at that time; but we appear to have lost the benefit of these opinions, and to have been in a manner convicted to an extent already deeply injurious to our characters, before we were informed of the nature of our offence, or had an opportunity of defending ourselves. The Government has now condescended, for the first time, to call upon us to answer certain imputations, though we have long heard from all quarters that opinions were entertained by our Government very injurious to us, while the public has had a notion very dangerous to our security growing out of their knowledge of these opinions. During this period of anxiety, we have felt, that we were strong in the correctness of our intentions, and that so long as we felt conscious of the propriety of our acts, we might hope to find a favourable construction ultimately put upon them by our Government: and we have looked to one broad fact as a justification for all we have done, namely, our conviction that *the result has been decidedly beneficial*, and that our transactions were less expensive to this Government, than any others that could have been entered into upon the security it was able to give. We thought the frequent declarations of Mr. Russell, who had had the constant opportunity of judging, conclusive upon the former point, and the Minister's opinion decisive upon the other; both have often been officially before our Government. The testimony of the Minister upon a point so immediately concerning himself, we considered unimpeachable: but the Governor General seems to deprive us of the benefit of it, by the supposition in the extract of the dispatch, stating that there appeared collusion between us. We

think it hard that, while any statement to our prejudice, which might be made by the Minister could operate to our disadvantage, we should be thus deprived of the benefit of his favourable report: but we venture to suggest that we cannot see for what purpose the Minister who was labouring under severe pecuniary difficulties, should enter into a league with us, the avowed object of which was to entail an unnecessary expence and loss upon himself, and that we do believe, if he could have made a better bargain elsewhere, he would have done so; though we thought we had claims upon him, for former services to this Government, which might have called for some sacrifices to our interests, and that if we had exhibited such a sacrifice to our Government, we should have considered it a creditable testimony in our favor. We humbly entreat the Governor-General in Council to consider that no temptation connected with us could operate so strongly with the Minister, as the object of defrauding us of our debt.

We believe it impossible that any influence we could have, could be put in competition in the Minister's mind, if he were a dishonourable man, with the notion of getting rid of the incumbrance of such a debt as ours. We beg of you to call the attention of the Governor General strongly to this point, for we conceive that his continued consideration for us, at a time when he must believe we have lost much of the good will of our Government, carries with it a vindication of all the pecuniary transactions we have had with him.

We have the honour to enclose an account of the realization of the funds assigned for the payment of the principal and interest of the sixty lac loan, which will prove that there has been no misappropriation of them, and that any failure that has taken place in the diminution of that debt, has not been owing to us, but to the delay which has taken place in granting the tunkhas, and in the deficits and protracted payments of the kists. By this account it appears, that the amount of tunkhas realized in two years was rupees 22,70,585, they ought by the agreement to have yielded thirty-two lacs of rupees. The additional rupees 9,29,415, with the accumulation of interest, if carried to the reduction of the loan account, would have reduced it to about forty-four lacs in July account, instead of the amount rupees 57,68,167, at which it then stood. The other account, shewing the tunkhas we received, the complete failure in the payment of some, and the substitution of others, will prove the difficulty with which we realized the above sum. The tunkhas we formerly held were irregularly paid, but not to such an extent; had we anticipated this, we would not have gone into the loan transaction. We have to assure you, that the misconception that has taken place, as to our being concerned in extensive pecuniary dealings with this Government, which have not been reported, has arisen out of the manner in which the Minister's accounts have been kept. We conceive this may be accounted for, by his having kept them for his own satisfaction and purposes, and not with a view of exhibiting them to our Government. The only point essential to him, has been to keep a check against our demands; of course it was immaterial to him under what branch of our accounts any entries might appear, it not being with him, as it is with us, an object to prove that the items against him came under the sanctions we had received from our Government. We trust the Governor-General will give us the full benefit of this fact, as also that we have been under the necessity, as far as possible, of keeping our accounts in such a manner as to meet the Minister's views of them. The constant altercations into which we fall with him, upon every settlement of our balances, made this an object of great importance to us. Indeed the minuteness with which the Minister scrutinizes our accounts, and the disposition he has always shewn to take advantage of us in the most trifling charges, is beyond any thing that could be believed, by those who have not had pecuniary transactions with him. We trust that we cannot incur censure for the Minister's supposed or actual misappropriation of the funds of the sixty lac loan, as we have never imagined we had any concern in this matter which did not relate to us. We hope that the transfer of a former balance, due to us, into this loan, will not be considered incorrect. This balance had accumulated from payments to the Berar Suwars, employed to co-operate with the Company's troops in the late campaigns. These payments had been made without our having any security for them, at the urgent request of the Resident, and for public and important purposes, the Minister was under engagements to give us orders in payment, the moment he was relieved from the expences of the campaign. We felt convinced that he would make every effort to do so, and we know that the Resident felt himself bound to lend all his influence to effect this for us. It could not be supposed that we contemplated the sacrifice of this debt, whilst we had always supposed ourselves entitled to the approbation of this Government, as well as our own, for the facilities we had afforded to both Governments at the time of its formation. This debt was referred to in the letter we wrote to the Minister, in reply to his original application to us about the loan. We believe the correspondence was laid before the Governor-General in Council by the late Resident. The whole of this balance amounted to rupees 20,57,219,7, and arrangements for tunkhas in payment of it were in progress, when the loan transaction commenced. The Minister, in referring to the difficulty he would have in carrying on plans of reform and retrenchment without pecuniary aid, alluded, we presume, to the difficulty of doing so, and meeting the other immediate demands upon him. The above balance must have been one of the most important of these. Had we taken the tunkhas, we must have got them discounted, and paid the money into the loan, but

considering the transfer equal to a payment of cash, we gave up our claims to the tunkhas, and made the transfer at once.

The terms in which the Governor-General has animadverted upon the bonus, would seem to leave us no hope of any explanations we can give proving altogether satisfactory, yet we trust, that when acquainted with all the circumstances of the case, his Lordship may view it with less unfavourable light. We beg to appeal to your experience in this market, whether you could at any time have raised one half of the sum by foreign bills, without a very material reduction in the rates of exchange, and if you had to raise the whole amount of the loan in that manner, whether the loss by exchange would not amount to a very large sum. If the expense which would fall upon the Company by the depreciation of their bills, for their own purposes were added to this, we believe the premium upon a loan of sixty lacs, borrowed in foreign markets, would be considerably greater than the bonus. If we are correct in these impressions, the necessity of a compensation to us is at once made evident.

It made little difference to us, whether we borrowed at a low rate in foreign markets, and suffered a heavy loss in exchange, by forcing our bills suddenly into this market, or whether we borrowed here, and gave the lenders high interest to cover their losses, by producing funds for our use at their expence. In the latter case we have suffered a regular and permanent expence, in the former we should have been subject to a second loss, by the enhanced price of bills, when we were required to repay the loans in foreign markets. We attempted to borrow money at fourteen per cent. in the markets of Calcutta and Madras, but so little confidence is there among European capitalists, in the security of pecuniary engagements with native Governments, that the proposition failed, although the rate of interest procurable in these markets was from six to eight per cent. Our proposals were made to the houses of Messrs. Palmer and Co. of Calcutta, and Messrs. Gordon and Co. at Madras, and through them to other houses in both places. The Minister pressed us to make immediate advances, for the urgent necessities of the Government. We stated the expence at which money must be raised here, and he considered it more advantageous to pay this expence than to delay his arrangements. In this situation we were forced exclusively, and disadvantageously, upon this market, and the monied men, aware of these circumstances, not only exacted higher interest than we formerly paid, on the new loans they made to us, but they insisted on an additional interest upon the monies already lodged with us, thus increasing what was formerly nine and twelve to sixteen and twenty-four per cent.

Perhaps the measure to which the Company's Government resorted a short time before the period of our loan, may be allowed to be brought as an argument in favor of our bonus. The additional interest of four per cent. and the premium of three, upon the loan they raised about that time, was in fact a bonus of more than seven per cent. The losses by exchange in different markets may be added to this. We know that the loss they experienced by exchange, between this and Jaulna, on payments, on account of the loan amounted to four per cent. in addition to the above premium. The Governor General in Council we lament to see, reprobates in the severest manner our not having reported the arrangement of the bonus, and we must ever deeply lament that we did not. That no wilful concealment of it was intended, we hope will be believed when we state that the entry of the item in our books, which are kept in three different languages, and are constantly open to the inspection of all our clerks, is a common, open, and undisguised entry. The Minister was very pressing, we conceived his adoption of it would be received as evidence that it was for his advantage, and we were very reluctant to be constantly forcing ourselves, and our concerns before the Government.

In the letter we had the honour to address to you on the 15th January, 1821, we reported a balance of upwards of thirteen lacs due to us for Aurungabad payments, for which the Minister was under engagements to give us tunkhas at the beginning of the Fuslee year 1231, corresponding to August 1821. As the receipt of these tunkhas would have cleared the balance from the Aurungabad books, we transferred the sum of rupees 13,18,669, for our convenience to the Hyderabad accounts, and this forms the basis of the Minister's account, No. 2.; but as the Minister has never been able to give up these tunkhas, we have restored the balance to its place in the Aurungabad accounts, which thus shews a balance in our favour of rupees 30,91,515, 9½. We must however observe, that this balance would not have been more than rupees 23,66,931, 9½, had we not been obliged, after the orders of the Honourable Court regarding the Aurungabad house were carried into effect, to give up tunkhas for rupees 7,24,584, which being all due, or nearly due, were in fact cash in our hands, as they were on those Talookdars who had always been most regular in their payments to us.

The Rajah's accounts and ours will not be difficult to reconcile after this explanation. The amount of the Government debt to us is essentially the same in both, though they will not, and cannot, be made to balance exactly, except upon a final settlement, unless the Minister would keep his accounts precisely as we keep ours. The Rajah exhibits a second account of Hyderabad rupees—26,71,377. At the time he gave this account, he could not have had our Aurungabad accounts up to the time our payments were stopped by order of our Government, which shew a balance of rupees 10,16,564, 6½, exclusive of the original balance of thirteen lacs and upwards. In this balance is included, however, a sum of rupees 7,24,584, which we were

compelled to return the other day, and which was the amount of tunkhas given to us for the payment of troops, which tunkhas being due, were equivalent to cash. We make out a balance of rupees 30,91,515, 9½, due to us at Aurungabad, and a balance of rupees 4,77,588, 13, due to our Hyderabad House. The Rajah shews an item of rupees 14,70,191, as the foundation of the separate account. This is our balance of thirteen lacs and upwards above referred to, and a sum of upwards of one lac, excess of sixty lacs which was paid inadvertently at the time of the loan. The difference between rupees 14,70,191, and rupees 13,18,669, is part of the balance of rupees 4,77,580, 13, due to us. That, with its accumulation of interest, and the sum of nearly two lacs paid into the Treasury of the Resident for the use of the troops, with interest upon that, will so nearly account for the last balance, that we hope the trifling difference will not be considered as a proof of our having disobeyed the orders of the Governor-General in Council. This balance is provided for by tunkhas; and whenever they are realised, the account will be cleared. The Minister, it appears by the extract you sent us, gives the amount of another old debt due to us, which was transferred into the loan; this is the Berar Suwar account, which we exhibit as a transfer to the whole amount, while he considers the tunkhas we gave up as cash, and the balance unprovided for as the transfer. In our letter to your address of January 15th, 1821, we stated to you that we feared, in a country where every thing is arbitrary, and emanates immediately from the government, we should find it impossible to carry on our transactions, *whether banking or commercial*, without subjecting ourselves to what may be considered an infringement of the orders we had then received. The fact is, that the Government tunkhas, or acceptances of Government Collectors, are the proper currency of this country, and that most of the transactions exhibited in the Rajah's accounts, since the date of our letter, partake very much of the nature of those which take place in any country where paper currency is in circulation, and where a man having a payment to make tenders a note, and requires the difference. The Rajah, in sending us orders for money in such sums as it was convenient to him to draw them, has desired us to appropriate so much to ourselves for purchases, or any other payment in which we were concerned, and to pay the rest to certain persons. Many of these transactions need scarcely have been recorded in any accounts; and, with the exception of the purchases from us, have not been attended with either benefit or disadvantage to us. In some instances, the orders have been sent to us in consequence of their being to be divided among persons with whom we had dealings, and we have acted as agents without any benefit at all, though the circumstance of their passing through our hands has made them appear in our accounts.

Regarding our sales, we have always dealt very largely in jewels, and cloths, and have been agents for the sale of Europe goods to a very extensive amount. The former has been a very considerable branch of our concerns. The consumption of jewels in this Government is very great; we were not prohibited from making sales to the Government, and have never hesitated to do so. We can assure you, however, that no sums of the Government, which have passed through our hands in any way, have been available to the purposes of the loan or Aurungabad payments, excepting what have been carried to those accounts, and that any other sums would not have come to us, but for the purposes above-mentioned.

We entreat you to direct the attention of the Governor General in Council to the fact, that since the period of our making the loan to this time, we have only been able to meet the exigencies of the House, by straining our credit to the utmost, that our distress has been continually increasing, and that we have been compelled to pay very heavy interest for money; that any sums we could have recovered from this Government would have been a great relief to us, and that nothing can be more erroneous than the supposition that we have had any interest in the tardiness with which the payments are made for the liquidation of our reported debts. To have sought the increasing a debt, which we were so anxious to diminish, would have been to anticipate great and evident losses, for this Government now holds large sums from us, for which we pay *much more than we receive*, and every addition to that debt entails not only a loss proportioned to the amount of the addition, but has a general tendency to increase our difficulties. It is certainly our interest to have funds to a certain extent lent to this Government, but never to an extent which endangers our credit. Regarding the allowances of Mr. William Palmer, we beg leave to assure you, that we have no interest in them. He has long been in the military service of this Government, and appears to have been in the receipt of large allowances long before the formation of our House was contemplated; and we beg leave to subjoin a statement with which he has furnished us upon this subject. We beg to add, that we feel convinced that the Governor General is not aware how very severe an infliction we are now labouring under, that the credit and reputation of our House are daily diminishing, by the various reports in circulation about us, and *that our private fortunes are consuming in the heavy losses we are now sustaining*; that we can only support ourselves, at all, by giving *very heavy interest* for money, and by shifts, the expense of which is enormous, that we are now paying *twenty-four per cent. and eighteen per cent., for a considerable part of the capital we have employed*. We trust that the explanations we have given will entitle us to the kind consideration of the Governor General in Council, and we shall feel most happy if you conceive that any co-operation of ours can forward your views for the improvement of the finances of this Government. At the same time we

hope that your knowledge of the state of the Government credit here, and of the variety of causes which influence the value of money in these markets, will induce you to support our request, that our transactions may be judged with reference to these, and not by the rules which would be applicable to transactions in any places under the Government of the Honourable Company.

Hyderabad,
14th October, 1822.

We have, &c.
(Signed) W. PALMER and Co.

No. XI.

To Messrs. William Palmer and Co.

GENTLEMEN,

Page 340.

I HAVE received the commands of his Excellency the Most Noble the Governor General in Council, to call on you, jointly and individually, to declare whether you in any way directly or indirectly, encouraged the Nizam's Minister, Rajah Chundoo Loll, to bring forward his complaints against me, transmitted through Mr. William Palmer, or to what extent you were privy to his design, or apprised of the contents of his letters to the Governor General and the Private Secretary, or of his notes to Lieutenant Barnett, connected with that proceeding.

Hyderabad,
30th Nov. 1822.

I have, &c.
(Signed) C. T. METCALFE, Resident.

To C. T. Metcalfe, Esq. Resident, &c. &c.

SIR,

Page 341.

WE have the honour to acknowledge the receipt of your letter of the 30th November, which we received yesterday. None of us were aware of the Minister's intention to bring any complaint against the Resident personally, nor do we know that he has made any. We never did, nor did any one of us encourage the Rajah to make any clandestine communications to our Government. The letter which was forwarded by Mr. William Palmer was certainly not written at his instigation, or that of any one of us; on the contrary, Mr. William Palmer, with whom alone any thing passed on the subject, so far from encouraging the Rajah to send it, objected to be the channel of transmission when he was first solicited, on the ground of the irregularity of the proceeding, and recommended the Minister to transmit it through the Resident or the Post. Mr. William Palmer was induced to forward it afterwards, from being called upon individually to do so, as the servant of this Government. The letter was sent to him sealed, and not read by him. He was given to understand that it contained copies of the Minister's correspondence with Lieutenant Barnett.

With regard to his notes to Lieutenant Barnett, it is necessary we should state, that the Minister had constantly made the interference of our Government, in the details of his, an excuse for not keeping his engagements with us, and had expressed considerable annoyance upon the subject. On his stating his intention to take some measure to endeavour to relieve himself from the embarrassment, he described himself as subjected to, by our Government, we recommended what we have invariably done, an unreserved communication with the Resident, as the most correct and obvious course of proceeding. The Minister afterwards communicated to us the contents of his letter to Lieutenant Barnett, which related in a great degree to our affairs. The knowledge of his intention of paying us was very important to us, and we were very anxious about the fate of his request, as the receipt of the money would have been of great service to us.

We have, &c.

Hyderabad,
2d December, 1822,

(Signed) W. PALMER,
W. RUMBOLD,
G. LAMB.

No. XII.

To Messrs. William Palmer and Co.

GENTLEMEN,

Page 348.

I HAVE received the command of his Excellency the Most Noble the Governor General in Council, to call on you to furnish a complete account current of your pecuniary dealings with the Government of his Highness the Nizam, exhibiting

every item debited or credited on either side, commencing from the time when your House, under any denomination, first had dealings with his Highness' Government, or at least going so far back, as to include all charges now brought forward without any unexplained balance.

2. I am further directed to call for a similar detailed account of the loans made to the several officers of the Nizam's Government, to which the guarantee of his Highness' Minister is considered to be in any degree pledged.

Hyderabad,
13th December, 1822.

I have, &c.
(Signed) C. T. METCALFE, Resident.

To C. T. Metcalfe, Esq. Resident, &c. &c. &c.

SIR,

WE have the honour to acknowledge the receipt of your letter of 13th December, calling upon us to furnish a complete account-current of our pecuniary dealings with his Highness the Nizam, and for a similar detailed account of the loans made to the several officers of the Nizam's Government, to which the guarantee of the Minister is considered to be in any degree pledged.

We are anxious to pay implicit obedience, at all times, to the orders of Government; but feeling that we could not do so, in the present instance, without a breach of commercial confidence, we have thought it our duty to obtain the sanction of the Minister, and we shall proceed to make up the accounts with as little delay as possible. But as these, from their magnitude, cannot be completed in less than one or two months, we request that you will submit to the consideration of Government, that we apprehend the very worst consequences, from the following causes, if the Government should not be pleased to cancel their order on a reconsideration of the circumstances.

We fear and know, from our recent experience, that a discussion regarding us has a direct tendency to lessen our credit; and a further diminution of it would be severely felt by us, from the want of disposable assets to meet increased demands.

The discussions now pending have already excited alarm in this market, embarrassing to our operations, and we have, in consequence, not been able to render the prompt compliances which we have been in the habit of doing to the demands of our Constituents, and we have every reason to fear that the knowledge of our posture gaining additional publicity, even from this very circumstance, may tend to an increase of alarm, and, consequently, of demands upon us, which we may not be able to meet with a deteriorated credit in this market.

We also fear that a measure of this sort, so foreign to the spirit of commercial transactions, may occasion reluctance and objections to persons to have dealings with us, from the impression that their private accounts are subject to public exposure.

We feel confidence in submitting, with deference, these observations to Government, from the circumstance that the Aurungabad accounts, which were furnished to the Resident, Mr. Russell, by us, on an order from Government, were returned to us uninvestigated, on a reconsideration of the matter had in Council on our representation.

We at the same time beg leave to inform you, that the accounts current shall be immediately put in progress, that no delay may occur to their transmission to you.

Hyderabad,
17th December, 1822.

We have, &c.
(Signed) W. PALMER and Co.

To Messrs. W. Palmer and Co. &c. &c. &c.

GENTLEMEN,

1. YOUR letter of the 17th instant, in reply to the call for detailed accounts, shall be submitted for the consideration of his Excellency the Governor-General in Council.

2. In the meantime, it is my duty to apprise you, that the execution of instructions which I have received, regarding the debt due to you from the Nizam's Government, at present depends on my receipt of those accounts.

Hyderabad,
20th December, 1822.

I have, &c.
(Signed) C. T. METCALFE, Resident.

To Messrs. William Palmer and Co.

GENTLEMEN,

Page 470 and 471.

YOUR objections to the production of the accounts called for by my letter of the 13th December being deemed entirely inadmissible, I am commanded by the Honourable the Governor-General in Council, to intimate to you the expectation of Government, that no further demur will be made on your part to the production of all the accounts required, with such further information or explanation, regarding any items of those accounts, as it may seem proper to demand; and also to apprise you, distinctly, that your compliance with this requisition is an *indispensable condition of the interference of the British Government, for the adjustment of your claims against the Nizam, and of its countenance to your future commercial dealings in his Highness' territories.*

Hyderabad Residency,
Camp, Kullum,
5th February, 1823.

I have, &c.

C. T. METCALFE, Resident.

To Sir Charles T. Metcalfe, Bart. Resident, &c. &c. &c. Camp.

SIR,

1. WE have the honour to acknowledge the receipt of your letter of the 5th instant.

2. We deeply lament that the Honourable the Governor General in Council has not been graciously pleased to dispense with the production of our detailed accounts, a measure which we consider as fraught with the most injurious consequences to our commercial interests.

3. We shall not presume to demur in yielding obedience to any measure which the Honourable the Governor General in Council shall think fit to command; but we hope we may be allowed most humbly to represent the very painful situation in which we are placed, a situation, we believe, totally unprecedented in the commercial world.

4. During the period of great pressure in the money market, we entered into large pecuniary engagements with the Nizam's Government, at the earnest desire of the Minister, and with the concurrence of the Resident, to enable it to bring, and to maintain in the field, a large body of efficient Horse, for co-operation with the British army in the late Pindarree and Mahratta wars. We were taught by the Resident, that our thus co-operating in a great public measure would give us consideration, both with the Nizam's and *our own Government*, and it was notorious that, *without such assistance, the measure could not have been effected.*

5. On the conclusion of the war, when our advances were to be repaid, according to stipulation by the Nizam's Government, made with the knowledge of the British Resident, and the usual assignments on the revenue were preparing for this purpose, the British Government recommended measures for the general improvement of his Highness' country, which could only be carried into effect by extensive pecuniary assistance.

6. We again came forward with our aid, although in doing so, to the extent required, we were obliged to give up various profitable transactions, and, in fact, to change the whole line of our commercial dealings.

7. In making up the sum necessary to carry the plans for a reform into effect, the assignments on the revenue, for the liquidation of our advances to the Berar Suwars, were given up, being to all intents the same as if we had made payments to an equal amount in cash, as the transfers were realizable to, and at the disposal of the Minister, and in the same proportion reduced our available assets for the conduct of our transactions for the year. It could make no difference to his Highness' Government, whether we paid to it a sum of twenty lacs in cash, or gave up that sum in its own assignments to us on the revenue.

8. The magnitude of the aid required, the re-payment of which was protracted to a distant period, rendered the sanction of the British Government necessary to remove hazard; for we could not venture to engage in so extensive a transaction, on the faith and security alone of a native Indian power. The arrangements for the re-payment of the loan were by annual assignments, to a certain amount, on the revenues of particular districts; and all the interference we sought from the British Resident, was to prevent any misappropriation or reduction of these revenues, and that at any future period, under any change, our claim might be recognized. Beyond this, we have never looked for interference or support, and, in fact, we have never applied for either.

9. We hope it may not be deemed disrespectful in us to urge, for the liberal consideration of Government, that we feel the peculiar severity and hardship of being called upon to exhibit accounts of twelve years standing, (involving many transactions and many names), the accuracy of which has been already admitted in

the fullest manner by the Minister's letter to us, which we had the honor to forward to you on the 7th December, 1822.

10. We beg further to submit to you, with much deference, that the necessity for any such exposure of our accredited accounts may have become extinct; for we consider your letter of the 10th February to be, in effect, a suppression of our commercial dealings with the Minister; and we humbly conceive that Government can only have had a prospective purpose in the requisition, to regulate and control our future proceedings, which are, in fact, precluded by your prohibition of all intercourse with the Minister.

11. We beg to be understood, that we yield an implicit and submissive obedience to the orders of the Government, and that to this effect the accounts were put in train on the first announcement of the commands of the Honourable the Governor General in Council for their production, and that we have used every diligence in their preparation, which we shall continue. The accounts, however, are so voluminous, that a considerable time will elapse before they can be furnished.

12. We hope to forward the Aurungabad accounts in a few days.

Hyderabad,
17th February, 1823.

We have, &c.
(Signed) W. PALMER and Co.

No. XIII.

To Messrs. William Palmer and Co.

GENTLEMEN,

1. I HAVE had the honour of receiving your letter of the 17th instant.

2. Its contents shall be submitted to the notice of the Honourable the Governor General in Council; but your objections to the production of the detailed accounts of your transactions with the Nizam's Government having been already fully stated and overruled, I cannot anticipate any different result from a further reference. I trust, therefore, that you do not propose to delay the furnishing of the accounts from any expectation of a change in the sentiments of Government.

3. The Honourable the Governor General in Council, considers that you are bound to communicate to the British Resident every particular regarding your dealings with the Nizam's Government.

4. You appear to me to misunderstand the intentions of the Supreme Government, in supposing that in its order for the production of your accounts, it has solely in view the regulation and control of your future proceedings. The Honourable the Governor General in Council, previously to exercising his interference for the adjustment of your outstanding claims against the Nizam, deems it indispensable that he should know that your transactions have been such as may receive his countenance.

5. It may be useful to add, that the statements required from you are copies of the accounts which you have hitherto kept with the Nizam's Government.

Hyderabad Residency
Camp, Deottanna,
23rd February, 1823.

I have, &c.
(Signed) C. T. METCALFE.

To Messrs. Wm. Palmer and Co. Hyderabad.

GENTLEMEN,

1. I AM directed by the Honourable the Governor General in Council, to inform you, that all intercourse between the members of your Firm and the Nizam's Minister, personal or written, direct or indirect, *except through the channel of the British Resident*, is for the future prohibited, in the same manner as in the case with regard to other British subjects at Hyderabad.

2. I shall at all times *be happy* to receive any communications that it may be proper for you to make to his Highness' Government; and I trust that you will find that due attention is paid to *your just claims and interests*.

3. During my absence from Hyderabad, whenever you may suppose that your interests will suffer from the delay of a reference to me, I beg that you will address yourselves to my assistant, Lieutenant Barnett. With exception to the case supposed, I shall prefer receiving your communication directly.

I have the honour, &c. &c.

(Signed) C. T. METCALFE, Resident.

Hyderabad Residency,
Camp, Amba, 10th February, 1823.

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To Sir Charles T. Metcalfe, Bart. Resident, &c. &c. &c.

SIR,

We have the honour to acknowledge the receipt of your letter of the 10th instant, prohibiting us from all manner of intercourse with the Nizam's Minister.

We cannot view this order, at the present moment, without the most serious alarm. It has been only by making the greatest sacrifices that we have been able, for some time past, to struggle through the difficulties by which we have been assailed, in consequence of the discussions regarding us; and with our now diminished resources in this new position, we can see no escape from immediate ruin, if we are not favoured with your support and assistance.

We have had too fatal experience of the disposition of the monied men here to take alarm on the slightest occasion, not to apprehend the most ruinous consequences from this order, at the present moment; for after what we have recently experienced, we fear they will consider it a complete crushing of our establishment, and in all probability will come upon us immediately for the whole of their funds in our hands.

We have at present upwards of eighteen lacs of rupees belonging to Soucars of this place, which they can call for at pleasure; and unless we have funds at our disposal to meet this demand, or can obviate it, by shewing that we have your support, we do not expect that our house can subsist.

We hope that every liberal consideration may be made to us, in consequence of the new position in which this order must place us in the opinions of our constituents,—a position totally different from the situation under which our engagements with the Nizam's Government were contracted and sanctioned, and have hitherto been carried on.

We beg to assure you, that we shall submit with every deference to the orders of the Honourable the Governor General in Council, however much we may feel alarmed at their being carried into effect at the present very momentous juncture. Our only fear is for the immediate effect which the execution of these orders will produce; for we have that just confidence in the liberality and justice of the Honourable the Governor General in Council, that we feel assured we shall be ultimately benefited by an interference, which must insure to us the repayment of all our claims on the Nizam's Government.

If the demands are made upon us, which we dread, we have no resource but in your protection and support; and we earnestly hope that you will sanction such assistance being afforded to us from your Treasury, as will save us from the utter ruin that must otherwise ensue.

We are most thankful for *the kind assurance* of your readiness to *forward* our representations and just claims; and we beg to assure you, that it shall be our study to act up to the letter, as well as to the spirit of the order now communicated, and to your wishes.

Hyderabad,
16th February, 1823.

We have, &c.
(Signed) W. PALMER and Co.

No. XIV.

To Messrs. William Palmer and Co. Hyderabad.

GENTLEMEN,

I am favoured with your letter of the 16th instant.

I trust that no injurious consequences, such as you apprehend, will result from the orders of the Honourable the Governor General in Council; but in the event of extreme exigency, I am authorized to aid you to a limited extent.

If the monied men take up any needless alarm, you can, during my absence, refer them to my assistant, Lieutenant Barnett, who will no doubt be able to assure them, that *no injury to your establishment is intended or desired* by the British Government or its local representative.

I have, &c.
(Signed) C. T. METCALFE, Resident.

Hyderabad Residency,
Camp, Sailoo, 20th February, 1823.

To Sir Charles Metcalfe, Bart., Resident, &c. &c. &c. Hyderabad.

SIR,

WE have the honour to acknowledge the receipt of your letter of 20th February.

We beg to offer you our acknowledgments for the consideration you have given to our situation. We believe that the measures which you have been so good as

to instruct Lieutenant Barnett to adopt, for averting the evils we have apprehended, will be effectual for the purpose.

We think it our duty to apprise you, that unexpected demands have been lately made upon us by our Constituents in this place, for a sum exceeding three lacs of rupees, and that we are under engagements abroad, for the immediate payment of about two lacs of rupees which the realization of the assignments, now due, will enable us to meet.

We cannot but make you our best thanks for the assurance kindly made to us, that no injury is intended to our establishment.

Hyderabad,
5th March, 1823.

We have, &c.
(Signed) W. PALMER and Co.

To Sir Charles T. Metcalfe, Bart. Resident, &c. &c. &c. Hyderabad.

SIR,

WE have the honor to acknowledge the receipt of your letter of 23d February, in reply to our letter of the 17th of February.

We beg to assure you that our accounts shall be made up and transmitted to you with all possible dispatch.

Whilst we deprecate the intention of going into discussions with the Supreme Government, we beg to submit to you, that our comprehension of the orders of the British Government was, that our transactions with the Nizam's Government were subject to the cognizance and controul of the Resident, in their general outline only, and not to the exposition of our accounts, item by item, and we cannot but have severe apprehensions, from the bare circumstance that accounts carried on with one Government and passed by it, for a period of many years, are now submitted to the re-audit of another Government, from their very commencement. Whilst we have ventured upon making these remarks, for your liberal consideration of our situation, we hope that you will not deem it necessary to submit them to Government, unless they generally meet with your approbation. For your further information we beg to submit to you, extract of a letter from Mr. Secretary Adam, dated 23d July, 1816.

"I am accordingly directed to transmit to you, a writing under the signature of the Governor General in Council, and the seal of the Honourable Company, signifying the permission of the Supreme Government, for your performing the acts above referred to, with no other reservation, than that it shall be at the discretion of the British Resident at Hyderabad, for the time being, to satisfy himself regarding the nature and objects of the transactions, in which you may engage under the permission now accorded."

Hyderabad,
5th March, 1823.

We have, &c.
(Signed) W. PALMER and Co.

No. XV.

To Messrs. W. Palmer and Co.

GENTLEMEN,

Hyderabad Residency,
Camp Aurungabad, 14th April, 1823.

I am commanded by the Honourable the Governor General in Council, to call on you again, for copies of all your accounts with the Nizam's Government, as required by my letter of the 23d February, and to communicate to you the observations conveyed in the accompanying extracts from a despatch from the Secretary to the Supreme Government.

I have, &c. &c.

(Signed) C. T. METCALFE, Resident.

Extracts from a Despatch, dated 21st of March, 1823, from the Secretary to the Supreme Government.

On the subject of Messrs. W. Palmer and Co.'s late communications to you, regarding the alleged severity of the orders for placing them on a footing with other British subjects, at native courts, and for their rendering a detailed account of all their pecuniary transactions with the Nizam's Government, the Governor General in Council observes, that they appear entirely to have overlooked the terms

in which they themselves solicited permission to engage in those transactions, and the conditions on which that permission was granted. If as stated in their original application in 1816, their transactions have always been open and public, "and free from all taint of those qualities," which had rendered incumbent on the legislature, the imposition of penalties, "with a view to prevent British subjects, from acquiring privately, too much influence at native courts, and from taking advantage of the necessities of Native Governments, to extort exorbitant interest." The Governor General in Council is at a loss to comprehend, why Messrs. W. Palmer and Co. should now consider a call for the production of their accounts with the Nizam, a serious injury to their house, since it was with a perfect understanding of this condition, that they engaged in those transactions, and the observance of which, indeed, could alone render their dealings with his Highness' Government legal. Such transactions, moreover, must be considered to be in their nature abundantly simple. The House were to be at liberty to have pecuniary dealings with the Nizam's Government, with the knowledge and sanction of the British Resident; these transactions were to be open and public, and no advantage was to be taken of the necessities of the Native Government, to extort exorbitant interest. In all such transactions then, what matters or what names can be involved, the disclosure of which should be felt by Messrs. W. Palmer and Co., as a measure of peculiar severity and hardship. And again, if all pecuniary dealings with the Nizam, were to be of the character above described, it is difficult to conceive why they could not be conducted through the Resident, and why the restriction on the direct intercourse between the House and the Minister, should be regarded by the Soucars, "as a complete crushing of Messrs. W. Palmer and Co.'s establishment." Such a consequence of the prohibition in question, could only be contemplated in the case of a commercial house being supported solely by the very influence which Messrs. W. Palmer and Co. have solemnly disclaimed, while it is evident, that if their credit as a house of agency, be good in itself, its weight in the market cannot fail to be increased, by the circumstance of the firm enjoying the *general countenance* and support of the British Government, in their commercial dealings with that of his Highness the Nizam.

4. The Governor General in Council, deems it proper that you should communicate the above general observations to Messrs. Wm. Palmer and Co. as they appear to take a very erroneous view of the situation in which they stand, as a British commercial House at Hyderabad, and as it is necessary they should distinctly understand that the footing on which they are now placed, is the only one that can be permitted in future. With regard to the character they have given of their own transactions during the period of their connection with his Highness' Government; the sentiments of this Government, have already been expressed on some of those transactions, *as far as the Governor General in Council has been able to form a judgment of them*, and it remains for the House, by the explanations they are now called on to afford, to remove that unfavourable impression, which recent enquiries and the information hitherto submitted by them, have as yet only tended to confirm.

(True Extract.)

(Signed)

G. A. BUSHBY, Assistant.

No. XVI.

To Sir C. T. Metcalfe, Bart. Resident, &c. &c. &c. Camp.

SIR,

I have the honor to inclose you accounts of dealings with the Minister which I had with him previous to the establishment of the present house.

The house will have the honour of forwarding to you the remaining accounts in a day or two. They are at present under examination.

Hyderabad,
15th April, 1823.

I have, &c.
(Signed)

W. PALMER.

To William Palmer, Esq.

SIR,

1. I have received your letter of the 15th Instant, and the accounts therein enclosed.

2. Lieutenant Barnett, by my desire, will apply to you for the explanations which they require.

3. I beg to be informed whether on describing these, as accounts of dealings,

which you had with the Nizam's Minister, previously to the establishment of the present House, you mean dealings which you alone had with him, or dealings in which you had partners or colleagues, and in the latter case, who were your partners, or colleagues in those dealings.

Hyderabad Residency, Camp, Budnapoor,
21st April, 1823.

I have, &c.
(Signed) C. T. METCALFE,
Resident.

To Sir Charles T. Metcalfe, Bart., Resident, &c. &c. &c. Camp.

SIR,

I HAVE the honor to acknowledge the receipt of your letter of 21st April.

In reply to the third paragraph, I beg to inform you, that the accounts forwarded to you with my letter of the 15th instant, were signed by me alone, as no partner of our present establishment, except Bunketty Dos, was concerned in the dealings to which those accounts refer.

Hyderabad.
28th April, 1823.

I have, &c.
(Signed) WM. PALMER.

To W. Palmer, Esq. Hyderabad.

SIR,

1. I BEG permission to point out to you, that your letter of the 28th ultimo, does not contain an answer to the questions put in mine of the 21st ultimo.

2. These were, whether in the dealings with the Nizam's Government of which I had then received the accounts, you were alone concerned, or had been engaged with partners or colleagues, and in the latter case, who had been your partners, or colleagues in those transactions?

3. It is to be collected from your reply that Bunketty Dos was a partner in those dealings, but on reference to it, you will observe that it does not convey a full answer to my questions.

4. If the omission has proceeded from inadvertency you will now have an opportunity of rectifying it.

5. If you decline answering the questions, I beg that you will apprise me of that determination, for the information of the Honourable the Governor General in Council.

Hyderabad Residency, Camp, Jaum,
3rd May, 1823.

I have, &c.
(Signed) C. T. METCALFE.
Resident.

To Sir Charles T. Metcalfe, Bart. Resident, &c. &c. &c. Camp.

SIR,

I HAVE the honor to acknowledge the receipt of your letter of the 3rd of May. My letter of the 28th ultimo, was written with the impression, that the question regarding my partners was only reverted to from the circumstances of my individual signature being affixed to the accounts. I had hoped that the option granted by your letter, of 14th February, was still available to me, and I solicit to be allowed permission to decline answering the question.

Hyderabad,
10th May, 1823.

I have, &c.
(Signed) W. PALMER.

XVII.

To William Palmer, Esq.

SIR,

Hyderabad Residency,
Camp, Jaulna, 22d April, 1823.

I HAVE the honor to transmit a set of queries, to each of which I am commanded by the Honourable the Governor General in Council, to desire from you an explicit answer according to your knowledge or belief.

I have, &c.
(Signed) C. T. METCALFE.

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QUESTIONS.

Page 543 to 544.

1st. Has Mr. Hans Sotheby, at any period of time been directly or indirectly connected in business with the House of William Palmer and Co. at Hyderabad, or with any one of the members of that house, before or after their assumption of their present designation, and in consequence of that connection or otherwise, has Mr. Hans Sotheby directly or indirectly been engaged in pecuniary dealings with the Government of his Highness the Nizam?

2. Was such connexion, if it existed, avowed or secret?

3. State the date on which Mr. Hans Sotheby may have become connected with the House, or with any of its members, since the first establishment of Mr. William Palmer and Bunketty Dos in business at Hyderabad, and the date on which Mr. Hans Sotheby may have withdrawn from such connexion.

4. Has Mr. Hans Sotheby derived more than twelve per cent. for any money lodged with the House of William Palmer and Co. since the period when Mr. Hans Sotheby may have retired from the partnership?

5. Did Mr. Hans Sotheby receive any payment as a gratuity or compensation from the House, on his retiring from the partnership or on any other account?

6. Did Mr. Hans Sotheby as a partner of the House sign a deed of release to Doctor Currie, on his retiring from the firm, and did this act on Mr. Sotheby's part take place before or after the voluntary affidavit by Mr. William Palmer, and Sir William Rumbold was taken before him in his capacity of Assistant in charge of the Residency?

7. State whether to your knowledge or to the best of your belief, Mr. Henry Russell was at any time connected with the house of William Palmer and Co., or with any one of the members of that house before or after their assumption of their present designation, or derived profit from any pecuniary dealings with that house, or Mr. William Palmer and others, beyond the ordinary interest allowed to their Constituents generally. State the period of his joining the House, or Mr. William Palmer, in any concern, and of his retiring from it, or of his deriving such extraordinary profits.

8. Do you know or believe that Captain Charles Russell was similarly or otherwise connected with that house, or Mr. William Palmer, or whether he derived from such connexion any extraordinary profit beyond the interest allowed to other constituents? State the particulars.

9. State the particulars of the connexion of Mr. Russell of the Madras engineers with the House, or with Mr. William Palmer?

10. State the same of Doctor Currie's connexion with the House, or with Mr. William Palmer.

To Sir Charles T. Metcalfe, Bart. Resident, &c. &c. &c. Hyderabad.

SIR,

Page 543.

I HAVE the honor to acknowledge the receipt of your Letter of the 22d ultimo, transmitting a set of queries from the Honourable the Governor General in Council.

I had the honor to submit to you with deference that I could not, consistently with the maintenance of my credit and integrity, betray any confidence to the injury of another, which might have been reposed in me, and I had humbly conceived from the purport of the second paragraph of your Letter of the 14th February, that the Honourable the Governor General in Council had graciously been pleased not to enforce these questions, inasmuch as an option had been given to me in regard to answering them. I entreat that I may be permitted to avail myself of this option.

I further beg to add most respectfully that I cannot under any circumstances violate the confidence of another person, but should the Honourable the Governor General in Council deem it proper still to press the questions upon me, I have no resort but in a reference to such as may have been connected with me for their sanction to an explicit answer being given to these queries. This sanction can alone justify my compliance, and save me from ignominy. I earnestly hope that the Government will be graciously pleased to relieve me from the necessity of making such an appeal.

Hyderabad,
10th May, 1823.

I have, &c.

(Signed) W. PALMER.

To Sir Charles T. Metcalfe, Bart. Resident, &c. &c. &c., Camp.

SIR,

I HAVE the honor to acknowledge the receipt of your letter of the 22d April, transmitting a set of questions, to which I beg to offer the following answers.

Questions 1st, 2d, and 3d. My knowledge of the transactions of the House of William Palmer and Co. extends only to the period from which I joined it, and within that time Mr. Hans Sotheby has not had any connexion directly or indirectly with the House, more than any other of our Constituents.

Question 4th. Mr. Sotheby's account has been kept in the same manner as the accounts of our other European Constituents, and the same rate of interest allowed and charged, not exceeding twelve per cent. per annum.

Question 5th. No payment, as a gratuity, has been made to Mr. Sotheby since I have joined the house.

Question 6th. I have not seen such a deed.

Questions 7th and 8th. Neither Mr. Henry Russell nor Mr. Charles Russell has been connected with the House since I have joined it, nor has either of them directly or indirectly derived profit from any pecuniary dealings, beyond the ordinary interest for money allowed to our other European Constituents generally.

Questions 9th and 10th. Neither of the parties mentioned in these questions has been a partner in the House since I joined it, and I am entirely ignorant of any particulars regarding their connexion with it.

Hyderabad,
9th May, 1823.

I have, &c.

(Signed) G. LAMB.

To Sir Charles T. Metcalfe, Bart. Resident.

SIR,

I HAVE the honor to acknowledge the receipt of your letter of the 22nd ultimo, transmitting a set of queries from the Honourable the Governor General in Council.

I beg to submit respectfully that the nature of these queries precludes the possibility of replying to them, with a due regard to my own credit and integrity, or without a violation of the confidence which may have been reposed in me by any other person. I therefore confidently hope that these reasons will have sufficient weight with the Honourable the Governor General in Council, to dispense with my compliance with their commands, conveyed through you in your letter of the above mentioned date.

I have, &c.

Hyderabad,
13th May, 1823.

(Signed)

H. PALMER.

To Sir C. T. Metcalfe, Bart. &c. &c. &c.

SIR,

I HAVE the honor to acknowledge your letter of the 14th February, with its enclosures. In reply to such parts of the enclosures, which require from me an explanation and disclosure of matters connected with the interests of the firm of W. Palmer and Co., I have the honor to state, that the affidavit which has produced the communication, was never intended by me to form a public document, or to be submitted to the consideration of the Supreme Government, but that the same was drawn and transmitted to Lord Hastings, for the purpose of removing from his Lordship's mind, certain doubts which he professed to entertain, or was likely to entertain, respecting a particular individual alluded to in a private letter which I received from his Lordship.

I was not apprised by his Lordship that the affidavit was to be brought to the notice of the Supreme Government, and therefore the document was not drawn with that precision and technical form, which would have been attended to, if I had been aware that it would become the subject of public consideration or correspondence, and the letter to Lord Hastings by which the affidavit was accompanied sufficiently explained why the declaration was not made more comprehensive. To that letter I beg leave to refer as affording in substance, the explanations now required from me.

Under these circumstances I trust that the liberality of the Governor General in Council will induce him to consider the communication made to Lord Hastings, as having been of a private nature, and merely intended to prevent or remove certain impressions on his Lordship's mind.

Madras,
9th March, 1823.

I have, &c.

(Signed) W. RUMBOLD.

To Sir William Rumbold, Bart., Madras.

Page 738.

SIR,
I TRANSMIT herewith a copy of a letter, this day received from the Supreme Government, the observations contained in which I am directed to communicate with you.

8th May, 1823.

I have, &c.
(Signed)

C. T. METCALFE.

(ENCLOSURE.)

To Sir Charles T. Metcalfe, Bart. Resident at Hyderabad.

Page 492.

SIR,
1. I AM directed to acknowledge the receipt of your despatch of the 27th ultimo, submitting a copy of a letter from Sir William Rumbold, in reply to the queries which you were desired to put to him under the instructions of the 15th January last.

2. Sir William Rumbold having referred to a private letter addressed by him to the late Governor General, as containing in substance the explanations now required from him, it was incumbent on him to have furnished a copy of it, or to have repeated the contents, as he must have been aware that the original was not now in India. With regard to the hope expressed by Sir William Rumbold, that the communication made by him to Lord Hastings, may be considered as having been of a private nature, and merely intended to prevent or remove certain impressions on his Lordship's mind, I am directed to observe, that as the question involves the character of a public officer of the Government, it is surely no less desirable that similar impressions should be removed from the mind of the Governor General in Council, if they are not well founded.

3. You will be pleased to communicate the above observations to Sir William Rumbold, to whom the Governor General in Council concludes, you will have conveyed the further queries, which you were instructed to propose to each member of the Firm, by the instructions of the 29th ultimo.

Fort William,
18th April, 1823.

I have, &c.
(Signed)

G. SWINTON,
Secretary to the Government.

To Sir Charles T. Metcalfe, Bart., &c. &c. &c.

Page 580.

SIR,
I HAVE the honour to acknowledge your letter of the 8th May, containing a copy of a letter that day received from the Supreme Government.

I beg leave to assure the Honourable the Governor General, that when I received the private letter from the Marquis of Hastings alluded to in my communication to you dated the 9th of March, and requiring information from me, I felt satisfied that any admission contained in my reply to his Lordship would not be used in any manner prejudicial to me, or the interests of those to whom such admission might apply, and I was persuaded that if the Governor General had deemed it expedient to require any disclosure from me, that was to be applied to official purposes, such information would have been required through the channel of the public Officers of Government,—a measure which would have awakened my attention to all the consequences of giving or of withholding the information so required, and which would have induced a caution rarely attended to in private communications.

As the affidavit which accompanied my private letter to Lord Hastings has been treated as a public document, I could have had no reason to know that the letter had not also been produced, or that it was not now in India; and I beg leave to submit, that as it now appears that Lord Hastings did not place that letter on record, his Lordship's conduct affords a powerful confirmation that the communication was considered by him as of a confidential and private nature.

If the Honourable the Governor General had expressed to me, in a private communication, his desire to obtain any information that I could supply, for the purpose of removing impressions from his mind, I trust that I need not say I should have readily and confidently complied with such a request; but in such a case, I should be persuaded that the private mode of communication resorted to afforded a pledge that no public use would be afterwards made of my communication. I therefore hope that I shall be pardoned for taking this distinction between private and official correspondence, for the communication which was made by me to Lord Hastings might perhaps have been withheld from the Governor General, if I had been officially required at that time to make it through the proper officer of Government.

Madras, 10th June, 1823.

I have, &c.

(Signed)

W. RUMBOLD.

To Sir Charles T. Metcalfe, Bart., &c. &c. &c.

SIR,

I HAVE the honour to acknowledge your letter of April 22d, and to express my regret at the unfavourable delay which has taken place ere I could reply to it.

Pages 581, 582.

I should request that I might be excused from answering questions according to my belief, regarding many of which, any thing I might know could only have come to my knowledge in confidence, but that I feel satisfied the Honourable the Governor General will not allow any information obtained by my answers to such questions, to become injurious to those whose private affairs I may thus disclose.

In reply to your questions,—

1. Mr. Hans Sotheby has been so far connected with the House of William Palmer and Co., that he received a dividend from the profits of the House upon a sum of money which he had invested in it. He had not, however, any thing to say to the management, or conduct, or business of the House.

2. The connexion was not avowed; the House considered it a private arrangement for Mr. Sotheby's benefit.

3. I do not know or believe that Mr. Sotheby had any connexion with the House, or any of its members, till April, 1815, at which time I became a partner. I went to Hyderabad at that time, and I understood the partners to be Mr. William Palmer, Mr. Hastings Palmer, Mr. Currie, and Bunketty Doss. I remained at Hyderabad about a month; and after I had made arrangements for joining the House, Mr. William Palmer asked me if I would agree to Mr. Sotheby's receiving the benefits of a share in it, to which I consented. Mr. Hans Sotheby's connexion with the House ceased in February 1820.

4. Mr. Sotheby has not to my knowledge received any more than twelve per cent. for any money lodged in the House since the period above-mentioned.

5. Mr. Sotheby did receive a payment from the House as a compensation for retiring. The House had become involved in transactions with the Nizam's Government, which made Mr. Sotheby's connexion with it appear in a different light to us, and he was offered the choice of resigning the Company's service and becoming an active partner in the House, or of withdrawing altogether. Upon his determination not to resign the service, he received a compensation from the House for retiring.

6. I remember that Dr. Currie applied for a deed of release from the House, but I do not remember whether Mr. Sotheby signed it, nor do I recollect the period at which the release was executed.

7 and 8. I did not become a Resident at Hyderabad till the beginning of the year 1819. I was there for the first time in 1815; till that time, all the parties mentioned in your letter were perfect strangers to me, with the exception of Mr. Samuel Russell, whom I had met in Calcutta. Neither Mr. Henry Russell nor Captain Charles Russell had any connexion with the House in 1815, when I joined it, or afterwards, and I believe that neither of them had any connexion with any of the partners of it, by which they derived any profit from the dealings of the House. The House was established in 1814. At that time I received a proposal through a friend in Calcutta, to join Mr. William Palmer, Mr. Currie, and Mr. Samuel Russell, who intended to establish a House of business at Hyderabad, but I could not accept it. I can speak from my own knowledge from the beginning of 1815, but to the best of my belief, neither Mr. Henry Russell nor Captain Charles Russell had at any time any connexion with the House, or derived any profit from any pecuniary dealings with that house, beyond the ordinary interest allowed to their Constituents. Mr. William Palmer had been engaged in business at Hyderabad before this House was established, but I do not know who were his associates. I had been very few months in India when the present House was established, and I did not go to reside at Hyderabad for five years after its establishment. I trust, therefore, that the Honourable the Governor General will believe, that in professing my inability to give him any information regarding the affairs of any persons at Hyderabad before the establishment of the House, I am not actuated by any other motive, but my total ignorance upon the subject. I do not believe that Mr. Henry Russell or Captain Charles Russell ever received any higher interest from the House, than was generally allowed to the other Constituents.

9. I have already stated, that I heard in the beginning of 1814, that Mr. Samuel Russell proposed to join in establishing a House at Hyderabad. He was not a member when I joined it, but he had been for about a year from its establishment.

10. Dr. Currie was a member of the House from its formation in 1814, and continued so till he left India. I do not remember the date of his leaving it, it was long after I joined the House, but before I went to reside at Hyderabad.

I now beg to appeal to the liberality and justice of the Honourable the Governor General, and to request that no public use may be made of the information contained in the above answers to your queries. I earnestly entreat of him to consider, that the measure of obliging agents to betray what they may know in confidence of the private affairs of individuals, is one of great hardship. That it is impossible that men should enjoy the confidence of the public who are known to be liable to such compulsion. Situated as our House is, at Hyderabad, it is scarcely possible for it to carry on business, without the support of the British Resident. The measures which the British Government has thought fit to adopt towards us,

have already exposed us to serious dangers, and any further evidence of its displeasure would be utter ruin to us. Under these circumstances I have given all the knowledge I possess regarding the questions put to me, in the confident hope that my having done so, will entitle us to the kind consideration of the Honourable the Governor General, and that he will look with lenity upon any thing irregular which may appear by my answers to have occurred. I trust the circumstances in which Mr. Sotheby, though nominally attached to the Residency, was known to be placed then, will be considered as proving that his connexion with us was not sought with any view to the influence of his official situation. I hope the danger and distress to which the House has lately been exposed, will be considered as sufficient atonement for any thing which the Honourable the Governor General may have disapproved of in its proceedings, and as entitling it to his future protection; and I humbly and earnestly entreat that he will save us from ruin, and that he will direct us in what manner we may for the future carry on transactions at Hyderabad, so as to secure the support of our Government through the British Resident.

Madras,
11th June, 1823.

I have, &c.
(Signed)

W. RUMBOLD.

No. XVIII.

To Lieut. H. L. Barnett, &c. &c. &c.

SIR,

Hyderabad, 6th May, 1823.

WE had the honour to submit to you on the 5th of March the assignments which were then due to us. We now beg to enclose you a memorandum of the sums which still remain unpaid on these assignments. With such tardy payments, or failures, in the realization of these assignments, we find it impossible to meet the increasing demands upon us. And we are compelled though reluctantly to revert to the aid, which has been graciously proffered to us by Government. And we beg to state, that there is an extreme exigency for our meeting demands upon us both from abroad and this market to the amount of near five lacs of Hyderabad rupees, which we hope you will be pleased to order us from your Treasury.

We have not included in the amount of the unrealized assignments a small sum, which we hold in unaccepted bills. The dishonour of these may increase the sum of the unpaid assignments, which we may have the honour to bring to your notice on a future day.

We have, &c. &c. &c.

(Signed) WM. PALMER and Co.

To Messrs. Wm. Palmer and Co.

GENTLEMEN,

Hyderabad, 7th May, 1823.

I HAVE had the honour of receiving your letter of the 6th instant, the necessity of replying to the subject of which will, I imagine, be obviated by the contents of the accompanying dispatch from the Resident to your address.

I have, &c. &c. &c.

(Signed) H. L. BARNETT, Assistant Resident.

To Messrs. William Palmer and Co.

Hyderabad Residency, Camp Purton, 1st May, 1823.

GENTLEMEN,

I HAVE instructed my First Assistant, Lieutenant Barnett, to pay into your hands the remaining balance of the Aurungabad account received from you, and to bring that account to a close, taking credit in the same account on the part of the Nizam's Government for the amount already advanced to you from the Residency Treasury.

I have, &c. &c.

(Signed) C. T. METCALFE, Resident.

To Lieut. H. L. Barnett, &c. &c. &c.

SIR,

Hyderabad, 8th May, 1823.

WE have the honour to acknowledge the receipt of your letter of 7th May.

The enclosure which it conveyed obviates the necessity of our receiving money in advance. But we beg to refer to our letter of the 6th instant, and to direct your attention to the sums due to us on Mooneer ool Moolk's assignments, which, being affected in no way by the present arrangements, we request your kind aid in enabling us to realize payments in them.

We beg to enclose you an adjusted account of the balance of our Aurungabad House, as exhibited in the accounts transmitted by us to the Resident, and which alone we conclude we are directed to furnish to you for a final settlement.

We have, &c. &c. &c.
(Signed) WM. PALMER and Co.

No. XIX.

To Messrs. Wm. Palmer and Co.

GENTLEMEN,

Hyderabad, 6th June, 1823.

WITH reference to my letter to your address of the 4th instant, I have the honour to request that the ten lacs of rupees advanced from the Treasury may be credited to the Nizam's Government in that account which bears the highest rate of interest.

I have, &c. &c. &c.
(Signed) H. L. BARNETT, Assistant Resident.

To Messrs. Wm. Palmer and Co.

GENTLEMEN,

Hyderabad Residency, 18th June, 1823.

ACCORDING to your request, I have ordered another advance of ten lacs of rupees from the Treasury, to be accounted for by you to the Nizam's Government, in the account bearing the highest rate of interest.

I have, &c. &c. &c.
(Signed) C. T. METCALFE, Resident.

No. XX.

To Messrs. Wm. Palmer and Co.

GENTLEMEN,

Hyderabad Residency, 1st July, 1823.

HAVING received instructions to discharge the bulk of the balance due to you from the Nizam's Government, with some reservation on account of unexplained or doubtful items of your accounts, I hereby apprise you, that the Treasury is ready to commence payment.

I have, &c. &c. &c.
(Signed) C. T. METCALFE, Resident.

To Sir C. T. Metcalfe, Bart, &c. &c. &c.

SIR,

Hyderabad, 2d July, 1823.

WE have the honour to acknowledge the receipt of your letter of yesterday's date.

We beg to say that, from the uncertainty we have been in respecting the measure now communicated to us, we have been unable to make arrangements for the immediate disposal of so large a sum; and we respectfully hope that you will grant us a reasonable time in carrying the measure wholly into effect.

As we shall be under the necessity of returning to our Constituents (a great number of whom are at a distance) some part of their funds, we hope you will afford us a

delay of two months to make arrangements for this purpose. We beg to say, that we can make immediate arrangements for a sum of twenty lacs in bills and cash; and we trust you will favor us with the indulgence we solicit in the payment of the remainder.

We have, &c. &c. &c.
(Signed) W. PALMER and Co.

To Messrs. W. Palmer and Co.

GENTLEMEN,

Hyderabad Residency, 2d July, 1823.

1. It is not in my power to accede to the proposition contained in your letter of this date.

2. It was originally intended to consult your convenience in paying off the amount of the balances due to you from the Nizam's Government, but in consequence of the great procrastination which occurred in producing your accounts, and the further delay which has arisen from the want of explanation, and the ruinous effect of such heavy interest on the Nizam's Government, I have recently received instructions from the Honourable the Governor General in Council, which forbid any indulgence such as you solicit.

3. The sum at present in train of payment is forty lacs, the interest on which will cease from the time of tender.

I have, &c. &c. &c.
(Signed) C. T. METCALFE, Resident.

No. XXI.

To Messrs. W. Palmer and Co.

GENTLEMEN,

Hyderabad Residency, 8th July, 1823.

I AM requested by the Nizam's Minister to inform you, that the allowances heretofore received by Mr. William Palmer in his own name and the names of his children, and those received by Mr. Hastings Palmer, have been discontinued and revoked, the same not having been sanctioned by the Honourable the Governor General in Council.

I have, &c. &c. &c.
(Signed) C. T. METCALFE, Resident.

To Sir C. T. Metcalfe, Bart. &c. &c. &c.

SIR,

Hyderabad, 12th July, 1822.

WE have the honour to acknowledge the receipt of your letter of 8th July.

Mr. William Palmer begs to submit to you an account of the allowances due to him, his brother, and his children, by the enclosed English and Persian Papers, and solicits the favour of your obtaining payment of them from the Nizam's Government.

We have, &c. &c. &c.
(Signed) W. PALMER and Co.

From 9th Yehig, 1237 Hegira to 29th Shuwal, 1238 Heigra, corresponding to 8th July, 1823, being the 14th Aurindad Mall Hap. Allowance due to Mr. Wm. Palmer for 10 months 14 days, at 2,000 rupees per month

-	-	-	20,933	5
To allowance for Seapoys, at 320 rupees per month	-	-	3,349	5
To Mr. Palmer's children, at 2,400 rupees per month	-	-	25,120	
To Mr. Hastings Palmer	-	-	10,466	10
			59,869	4

To Sir C. T. Metcalfe, Bart. Resident, &c. &c. &c.

SIR,

WE have the honour to acknowledge the receipt of your letter of 25th August, intimating to us that the bonus of eight lacs, and the charges on account of pensions and salaries to the Palmer family, with the interest thereon, forming part of our accounts with the Nizam's Minister, cannot be recognized as forming part of our debts which the British Government has undertaken to discharge; and that the British Government will not interest itself in any manner for the liquidation of those demands, nor can any payment be allowed in future on account of them.

As it is of vital importance to us to be accurately acquainted with the intentions of

Government upon the subject of the charges, we solicit to be informed whether we are to understand, by the last part of the first paragraph of your letter, that it is the purpose of Government to prevent any payments being made to us on those accounts.

We feel our incompetency to go fully into the question at present. We however beg to submit for your consideration such views as have immediately occurred to us.

Should the Supreme Government be pleased to permit us to resort to the Minister's sense of justice towards us, we trust that he will be disposed to adjust the claims, the propriety of which he has admitted, by repeated signatures, year after year, to the accounts embracing these items, and by his written declaration authenticating the accounts, a copy of which we had the honour to submit to you, for the information of the Supreme Government, by our letter of 7th December, 1822.

We are peculiarly unfortunate in the non-recognition of these claims by the Supreme Government. We were not aware that the payment of the salaries to the Palmer family, made on the Minister's exclusive arrangements, could be regarded in any other light, as far as the House was concerned, than as simple payments on drafts.

Mr. Palmer begs to observe, that a salary had been drawn by him eleven or twelve years prior to the formation of the first establishment, for the payment of which, under any impression of impropriety in regard to its being effected through the House, he would have had recourse to the same means as formerly, and his pay would have been drawn by separate assignments, in which case no entries of these payments would have appeared in the Minister's accounts with us, but this he apprehends might justly have exposed him to the imputation of concealment.

In fact, the admission of these items in our accounts was an accommodation to the Minister in regard to the interest, from transferring a payment otherwise made quarterly to his debit at the end of the year.

Mr. Palmer hopes that consideration will be had for the circumstance, that he was ignorant of any form of recognition, or of any recognition of such salaries, by the Supreme Government being necessary. The salaries were granted officially, by regular public documents from the Nizam's Government, and were necessarily known, in common with other public acts, to the Residents for the time being. He ventures to plead with submission that the salaries which were continued for so long a period may be said to have been recognized in his own case particularly by the tacit concurrence of several successive Residents, and by that of the British Government itself.

In reference to the above, he begs to submit that, whilst employed by the Nizam's Government in a negotiation with Rajah Muheput Ram, he corresponded with the Resident, Captain Sydenham, by his express desire, under the orders of the then Minister, Meer Alum, and was subsequently employed by the same Resident as Persian Interpreter, with the charge of the Intelligence Department with the force under Colonel Montresor. In regard to the former service, he was given to understand by the Resident, Captain Sydenham, that his conduct was brought to the favourable notice of the Supreme Government.

For your further consideration Mr. Palmer begs to submit to you, that since the formation of the House, he has been employed in a military capacity by the Nizam's Government, under the direction of the Resident, Mr. Russell, and, on one occasion, in co-operating with the troops of the company, his services were honoured with the thanks of the Governor-General, Lord Minto, which he presumes to urge might be construed into an express recognition of his situation.

Mr. Palmer begs to be permitted to explain, that he has always considered the tenure of his service different from that of the European Officers, who have been recently appointed, under the authority of the Resident, to the regular battalions, and reformed Horse. He was for a considerable time attached to the Nizam's Durbar, his references and reports were immediately made to the Nizam's Government, his pay was received from it without the intervention of any other authority, and his duties were performed under the exclusive orders of the Minister. In this situation he regarded himself as being in the service, on the same tenure with the native servants of the Nizam; and he has never, at any time, been taught, that circumstances had made any change in his position, or that, from the original tenure of his service, any recognition of his situation from the British Government was necessary to him.

In this situation, and reverting to the practice of the period at which Mr. Palmer first entered the service, when its Infantry Commands were chiefly occupied by European foreigners, with a purposed exclusion of the English, he cannot but hope, that the Supreme Government will be pleased to entitle him, and his family, to the benefit of not enforcing measures regarding them *retrospectively*, which he begs to affirm they are wholly unable to meet.

In the present conjuncture, we have reason to apprehend every manner of distress and anxiety, although we should be permitted to resort to the Minister's unbiassed opinions; but our condition will be deplorable indeed, if we be either interdicted from resorting to him, or if the Minister be taught that the displeasure of the Supreme Government will attend his compliance with our request of an adjustment of the items referred to. Not having been prepared for such an event, neither the parties nor the House can possibly meet it, and ruin must be the inevitable consequence.

We hope that the Government, in its lenity, will be disposed to avert from us so heavy a dispensation. Whatever consideration may have been given to the acts of the House, or of its members individually, we respectfully hope that Government will not inflict an injury overwhelming to ourselves, and ruinous to the interests of those persons who have confided in us.

Hyderabad,
8th September, 1823.

We have, &c.
(Signed) W. PALMER and Co.

No. XXII.

Extract from a dispatch from Mr. Secretary Adam to H. Russell, Esq., Resident, at Hyderabad, dated Fort William, 12th December, 1812.

“ His Lordship in Council has also received, with sentiments of high satisfaction, the zeal and alacrity manifested by Mr. Palmer in his endeavours to bring back the Mutineers to a sense of their duty, and the temper, firmness, and address evinced by Lieutenant Colonel Scott in his negotiations with those deluded men ; to which is principally to be ascribed the safety of Mr. Gordon, whose life would, in all probability, have otherwise fallen a sacrifice to their misguided fury. You will be pleased to signify to Lieutenant Colonel Scott and Mr. Palmer his Lordship in Council’s approbation of their conduct throughout this affair.”

No. XXIII.

To Sir Charles T. Metcalfe, Bart. Resident, &c. &c. &c. Hyderabad.

SIR,

Pages 835 to 839.

WE have the honour to acknowledge the receipt of your letter of the 12th November, regarding our reference to you on the subject of the bonus, and the allowance to Mr. William Palmer and his family.

Mr. William Palmer begs to submit to you the circumstances under which he originally entered into the service of this Government. In the year 1799, when Mr. Palmer was first appointed to the command of a Battalion of Infantry in the Nizam’s service, by the Minister, Azim-ul Omrah, the command of the disciplined troops, amounting to near 12,000 men, with their full equipment, recently vacated by French Officers, was occupied almost exclusively by European foreigners, and the tenure of his service, in the appointment of the command of one of those Battalions, was similar to that of the European foreigners, and to that of the immediate subjects of the Government. His orders were received from, and his reports made to, Rajah Mohaput Ram, then in the charge of what were called the French Troops.

Under the Administration of Azim-ul Omrah, Mr. Palmer was promoted to the command of two Battalions, with one of which he was employed to co-operate with the Company’s troops in the War against Scindiah and the Rajah of Berar. He was selected by Colonel Stevenson, commanding the subsidiary force, to act as Brigade Major with the Nizam’s Troops, and was invested by him with authority to use his name on any emergency, to enforce orders which might be essential for the benefit of the service.

On the breaking out of the War, Mr. Palmer was placed with two Battalions in command of Aurungabad, a frontier town, and ancient capital of his Highness the Nizam, and corresponded on the movements of the enemy with General Wellesley and Colonel Stevenson.

On the termination of the war, Mr. Palmer was appointed, under the same Administration, to the charge of the newly-ceded districts of Jalna and Gandapore.

In all the situations in which Mr. Palmer was placed, he behaved with fidelity and zeal. It is peculiarly his misfortune, that from the lapse of time he cannot refer to the testimonies which might have been borne of his conduct. General Colins, who was at Aurungabad, gave him credit for the plans which he formed for the defence of the city, when it was threatened by the movements of the Rajah of Berar, and for the zeal and alacrity which he manifested in the pursuit of the Pindarries, who had taken prisoner an officer of General Colins’ Staff, at the head of fifteen troopers only, belonging to the former French troops.

Mr. Palmer brings with confidence to the notice of Government, that this service was attempted by him, when the native horse under Rajah Mohaput Ram refused their co-operation, and the troopers attached to General Colins’ escort expressed their reluctance with their numbers, to be employed on so hazardous a service. The pursuit was maintained by Mr Palmer to the bottom of the Phoolmooree Pass, in advance, and out of sight of the Bengal troopers, and was only relinquished from the total inability of his party to overtake the Pindarries.

He was a short time after this war recalled to Hyderabad, retaining his districts and his command : and his allowances were increased, under the same Administration to one thousand Rupees per Month, besides a per centage on the Collections of the Districts.

On the death of Azim-ul Omrah, his Highness the Nizam, directed the daily attendance of Mr. Palmer at his court ; and on one occasion made a confidential communication through him to the Resident, Colonel Fitzpatrick.

Whilst the present Nizam was heir apparent, Mr. Palmer volunteered on service on

the expedition against Sholapore, on which occasion his Highness commanded the Nizam's troops, with which a detachment of the subsidiary force was sent to co-operate. Mr. Palmer was employed by his Highness in his communication with Colonel Kenny, the officer commanding the division of the Honourable Company's troops.

On the accession of Meer Alum to the administration, the Nizam directed that a body of cavalry should be raised and attached to him personally. Mr. Palmer was selected for the situation, and held a lucrative contract for two hundred and forty troopers and horses.

Under the same administration, he was successively appointed to the further command of a body of two hundred, and then of one hundred native horse, upon advantageous contracts, namely, fifty rupees per man and horse, and his personal allowance was raised to two thousand rupees per month.

Mr. Palmer was employed by his Highness's Government to negotiate with Rajah Mohaput Ram, and was permitted by Meer Alum to correspond with Captain Sydenham, the Resident, by his (Captain Sydenham's) desire, on the subject of the negotiation. It was not successful, and terminated in a defeat of the Nizam's troops,—Mr. Palmer volunteered his services in the battle, and was put in command of the whole of the Nizam's cavalry. On these occasions Mr. Palmer was taught by the Resident, that his services were brought to the favourable notice of the British Government.

Mr. Palmer begs to state, that the negotiation was attended with the utmost personal hazard; that the turbulent and predatory soldiery of Rajah Mohaput Ram, with the impression that the negotiation would terminate in their disbandment, threatened his life, crowding into the house, where he was occupied with Rajah Mohaput Ram, and blocking up the road to his encampment. His safety was only secured, as he believes, whilst the ferment was so great, by his making Mohaput Ram a prisoner within the room of his own house, where the conference was held. The next morning his tents were surrounded by a party of Arabs and horse, and he was obliged to take possession of a Bastion of Mohaput Ram's own Village, within which he was encamped, for a temporary defence.

He was only released from this situation by the intercession of Mahomed Rezza Scinda, a chieftain of note with Mohaput Ram, who deprecated the breach of faith he was going to commit.

He begs to submit, that the hazard of this service is best ascertained from the treatment of Major Gordon by the enemy, who, after he was taken prisoner, and had received quarter, was cut down after the battle in cold blood; and Mr. Palmer understood that a tent which was pitched for his accommodation was cut into pieces by the Arabs.

Mr. Palmer was subsequently employed as Persian Interpreter, and in charge of the Intelligence Department with Colonel Stevenson, commanding the Subsidiary force, in the pursuit of Rajah Mohaput Ram.

There are other services of less note which he would enumerate, but he will not unnecessarily occupy your time.

During the ministry of Rajah Chundoo Loll on the disbandment of the horse which he commanded (the contracts for which had given him a net benefit of six thousand Rupees a month or more) Mr. Palmer continued to receive his personal salary of two thousand Rupees per month, which was paid to him for the period of one year prior to the formation of a house of business.

On the formation of a mercantile establishment under his conduct, Mr. William Palmer did not conceive that he was removed from the service by the act, while he did not, in any kind of way, deviate from the practice of the country, as can be exhibited in numerous instances, of too frequent occurrence to require proof; and he regarded himself, and was considered, the servant of the Nizam's Government, and the several instances of his being ordered on service, and his acquiescence to the commands, will be proof of his own opinion, and that of the Nizam's Government.

Subsequent to the establishment of the House, he was ordered to quell a mutiny in Major Gordon's Battalion; and when the Company's troops were ordered out on this service under General Conran, he was put in command of the Nizam's horse. He was required by General Conran from his local knowledge of the position occupied by the mutineers in a Choultry, to act as guide, which necessarily placed him in an advanced and prominent situation. He was honoured on this occasion by the public approbation of the Right Honourable the Governor General, Lord Minto.

Mr. Palmer was employed to preside at the court marshal, held over the mutineers, of which Captain Beckett, who commanded the Russell brigade, having Company's officers under him, was a member. The Court passed capital sentence upon several of the mutineers. Mr. Palmer begs to call the attention of the Government to the peculiarity of the circumstance, that had he considered himself subject to any authority, but that of the Nizam's Government, he would not have exposed himself to the danger of being held amenable for his conduct, which had been proceeded upon without a proper warrant.

Mr. Palmer was again employed, on the failure of Captain Beckett against Bhuwaneepet, with instructions to supersede him in the command of the Russell brigade, if he failed to carry the orders of Government, communicated to him through Mr. Palmer into effect. Had such an event taken place, Mr. Palmer by his accession to the command, would have had the Company's officers serving in the Russell brigade placed under his orders.

Mr. Palmer reverts to the two situations of his having received the approbation of the Governor General, and of his having had a commission to supersede Captain Beckett in his command, in testimony of the only inference that could be drawn by

him, that his position was not considered objectionable by the Right Honourable the Governor General in Council, Lord Minto. With the most distant impression of impropriety, he would have avoided those situations which brought him to the notice of the Supreme Government. His conduct was wholly unconcealed, inasmuch as his services were openly demanded by his Highness's Government, and as openly rendered by him.

He considered himself from his original position in the service, at a time when there was not any interference on the part of the Company's Government in either the military or civil arrangements of this State, as bound to it alone, and to it alone did he look up for his promotion and benefits, and regarded them as a testimony of his reputation.

Mr. Palmer's situation was different from that of the English officers who have subsequently entered the service. He exclusively received his pay and his orders from the Nizam's Government, without the intervention of any other authority. His attendance by the Minister could be required direct, and he had been for several years in daily attendance at the Court of his Highness the Nazam; and till the period of his dismissal having been signified to him by the Resident, he had been in the observance of the etiquette towards His Highness the Nizam, which appertains to the rules of the service.

When a disturbance was raised in the City by the Princes, which the Russell brigade was called out to suppress, Mr. Palmer repaired to the Minister to volunteer his services, and was called into consultation.

Mr. Palmer has humbly attempted to shew, that he was not, on any occasion deficient in zeal and activity; that he was employed on services of importance, and where he acted under the orders of superiors, he was put in prominent situations; and that whilst no sort of unpleasant reflection has ever been made upon his conduct or character, but on the contrary he has invariably possessed the approbation of his superiors, he hopes it will be admitted, that it was but justice to him to continue the payment of his salary.

This had been allowed to him since the disbandment of his resalahs of horse; and having passed without a comment till lately, he was totally unprepared to find it objectionable; and being so, he neither could have averted the situation by an official acknowledgment, nor have saved himself from the reprehensions, by a relinquishment of what he considered himself justly entitled to. He appeals to you with confidence, as to the fact of the publicity of his situation, and that there was not any attempt at concealment on his part. He humbly submits to you the hardships of his case, in being judged by rules with which he could not be acquainted.

Mr. Palmer cannot entertain a doubt, that the Nizam was acquainted with his being in the service. He attended the durbar of his Highness for four years, and was employed by him in his confidential affairs. The act of having continued to present his nuzzers, and their acceptance on the part of his Highness, was an acknowledgment of his situation, according to the rules of the country. He cannot hesitate, with the permission of Government, to submit his condition by an Arzee to his Highness the Nizam.

Viewing his situation as removed from the cognizance of the British Government, he considered it was open to him, as to others in similar circumstances, without a reference to the Resident's authority, to resort to the Nizam's Government with applications on behalf of his family and friends; and several officers were received in the service on his recommendation at different times, by name Mr. John Robinson, Mr. Burgh, and Mr. Pearson during the administration of Meer Alum. Mr. Hastings Palmer was similarly provided for, upon his application, a year or more before he became a partner of the House; and long subsequently, the Minister Rajah Chundoo Loll, was pleased to give an allowance to his sons—Mr. Palmer submissively states, that the considerations extended to him by the Nizam's Government, were received as acknowledgments of his service, and that he has always been disposed to view them as leading to credit and reputation.

Mr. Palmer has shewn, that his best possessions and commands were held by him under the Minister, Rajah Chundoo Loll's predecessor in office, and that his rise in the service was progressive.

Mr. Palmer cannot presume to contend against the opinions entertained by the Right Honourable the Governor General in Council; but he hopes it will be admitted, that a change of relations alone between the Governments, which he could not foresee, extended to his individual case, which had long subsisted without comment, has subjected him to his present unhappy condition; and he humbly hopes that Government, in its universally acknowledged liberality, will save him from the misery of a measure affecting him, by a retrospective operation.

His career has been one of reputation and credit, and his appeal would be cheerfully made to the community, where he has passed his whole life.

With the views formed by Government regarding the bonus, we cannot but regard our situation as peculiarly unfortunate and embarrassing, and we must rely wholly upon the clemency of Government to put the most liberal construction upon the act. We acceded to a loan upon a smaller rate of interest than we had been in the habit of charging, and we were called upon to make it at a time when we were totally unprepared for it, and were destitute of funds, and which situation necessarily exposed us to an increased charge of Interest, and thus a portion of the loan was occupied by others for their benefit, unprofitably to us, but still upon our own risk, and a considerable former balance held by us advantageously was converted into a similar unprofitable occupation of the loan. We had the honour to submit the particulars to you by our letter of the 14th October, 1822, to which we respectfully beg to refer you.

The investiture of our funds in a loan, which was repaid slowly, and gradually exposed us to subsequent losses, and our necessities being prominent, every banking transaction of ours, whether on exchange or discount, was subjected to a loss. We at one period encountered a run upon the house which was obviated by considerable sacrifices.

With the feelings of men who acted for their gains, we could not have sacrificed our advantages and encountered risks without the hope of adequate compensation; and reverting to the wishes of the Minister, whom we considered as the best judge in his own affairs, we apprehended that the arrangement was not burthensome to him, and was necessary to shelter us from a present positive, and subsequent eventual loss. The saving which this arrangement has led to, on the part of the Government, by enabling the Minister to disband a number of troops earlier than he could otherwise have done, has amounted, we humbly submit, to a much larger sum than the stipulated bonus.

Our gains have never been exorbitant, compared to the rates of profit obtained by houses of business in India; and we beg to state, that at no period since the loan has been made, have our dividends exceeded seven per cent. upon the amount of capital employed.

We entreat you to take into consideration, that the bulk of the money employed by us was invested by European capitalists, and that our payment of interest to them was twelve per cent. clear, without any charge for agency. We considered our transactions as beneficial to that community, which could not have obtained more than five, six, or seven per cent. at our Presidencies.

We fear to be troublesome, but we hope we shall be pardoned for dwelling on a matter of vital importance to us; and we once more beg to be permitted to revert to the circumstance, that through our agency alone, a considerable market was opened for British manufactures, at a time when the opening of the trade made a glut of British commodities in India ruinous to English houses, and that our efforts have established a navigation of four hundred miles, between a productive part of the Nizam's country and the eastern coast. Whilst our labours have succeeded in the primary object, we have suffered very severe losses from circumstances which we could not control.

We entreat the Government to direct their attention to our fate, in the consideration that, on the examination of our accounts for a period of twelve years, we have been subjected to a severe ordeal, from which no body of men, acting for their own advantage, could perhaps escape without reprehension.

Reverting to our rate of interest, we beg to say, and we shall readily submit to the severest scrutiny, that it is a *reduced rate to that which was obtained* in the market before the establishment of our House. A ready proof of this may be found in Soucars discounting their own and each others acceptances at two per cent. per month; and we are ready to prove, that Government bills in private hands have been discounted *at five per cent. per month.*

We will not presume to argue upon the grounds that different rates of interest are legislated for different countries, as witness England and the East India Company's dominions; and that, in respect to our transactions, we could not (with submission) but feel ourselves justified by the Licence of the Supreme Government, afforded to us under its seal and signature, under date the 23d July, 1816.

We humbly entreat you to consider, that whilst certain grounds of our conduct may have been liable to unfavourable imputations, we have not been exempt from endeavours to do good. We humbly implore the Government to avert the ruin from those unfortunate persons, who though unoffending, will suffer from having vested their fortunes with us.

Hyderabad,
17th November, 1823.

We have, &c.
(Signed) WILLIAM PALMER and Co.

No. XXIV.

To Sir C. T. Metcalfe, Bart. Resident, &c. &c. &c. Bolawrum.

SIR,

1. WE have the honour to acknowledge the receipt of your letter of the 25th August, communicating to us that we are no longer to consider ourselves under the protection of the British Government.

2. We deeply lament that any circumstance should have led to such a result, from which we cannot but apprehend the very worst consequences; for by being deprived of the protection of the British, and restricted by your letter of the 10th February from all intercourse with the Nizam's Government, we are literally placed in the situation of outlaws, subject to every manner of injury, fraud, and imposition in our dealings, without the right of appeal for justice to any known tribunal. The immediate tendency of this measure, connected with the restriction, will be to deprive us of the means of realizing our claims, which, from the magnitude of our transactions, embracing a capital, even now, of more than *sixty lacs of rupees* involves numerous

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interests; and we respectfully plead, that the question, from its bearings, should be deemed rather of a public nature, than viewed as a measure confined in its operations solely to the interests of the House. We beg to call your attention to the circumstance, that there is no Court of Justice under this Government, and that our appeals for redress could be made to the Minister only.

3. Having submitted these considerations to you, we solicit to be informed, whether you consider the restriction alluded to to be rescinded; for unless it be so, we shall be placed in *the unheard-of situation, of existing commercially in a community without the right of appeal, in any form, to its only known tribunal of justice.*

4. We hope that the Supreme Government, from the urgency of our case, may be still induced to revise this order. We would venture to plead, that the benefits derived from our establishment, in the introduction and circulation of British manufactures in Central India, have been considerable. The House was the means of bringing European manufactures, to any extent, into this part of the country, and its advantages have been principally disseminated among British capitalists. The rise of the cotton manufactures of Britain amongst the native inhabitants of this country, was introduced solely through our agency.

5. We also submit to you with respectful confidence, that our obedience to the orders of Government, communicated by you, has been implicit and unqualified.

Hyderabad,
9th September, 1823.

We have, &c.
(Signed)

W. PALMER, and Co.

XXV.

To Messrs. William Palmer and Co.

GENTLEMEN,

Page 744.

IT appearing from your accounts, that *at the time when you obtained* the sanction of the British Government for a *loan of sixty lacs of rupees* to the Nizam's Government, that transaction was effected by a transfer of *fifty-two lacs* from your former *Hyderabad account*, to a new account, with an addition of eight lacs bonus, as a compensation for reduction of interest on the said fifty-two lacs from two per cent. per mensem to one and a half per cent. per mensem, and there being no appearance of any payment at that period, which can be considered as a loan of sixty lacs, or any other specific sum, I am directed by the Honourable the Governor-General in Council to call on you to state, whether the conclusions above noticed, as drawn from your accounts, be correct or otherwise, or to furnish any explanation of that transaction that you may judge to be satisfactory.

Hyderabad Residency,
Bolawrum,
8th August, 1823.

I have, &c.
(Signed) C. T. METCALFE, Resident.

To Sir Charles T. Metcalfe, Bart. Resident, &c. &c. &c. Hyderabad.

SIR,

Page 744.

WE have the honour to acknowledge the receipt of your letter of the 8th August.

We beg to submit to you, for the consideration of the Right Honourable the Governor General in Council, that the whole of the loan of sixty lacs of rupees was not a transfer of an old account, but was a new loan negotiation, and was supported by the several payments in cash or otherwise, which *follow* the balance of rupees 4,63,979, 2½ annas, as exhibited in our accounts.

We beg further to state, that we conceive the misapprehension of the Government has arisen from the manner in which our accounts have been kept, and which was unavoidable, from the circumstance, that the negotiation for the loan was in progress prior to the termination of the year, at which time the Minister could not fulfil his part of the engagements; and all entries of payments by us, made in anticipation, were necessarily debited to him in his general accounts, till the end of the year, when the new loan account was distinguished.

We have already had the honour to submit to you the circumstances of the transfer of rupees 20,57,219, 7 annas, on account Berar Suwars, which we have always considered (being in fact a return of the Minister's own assets) as equivalent to a cash payment. Our letter of the 14th October, 1822, having already explained the nature of this claim against the Nizam's Government, we will not intrude upon your time by any further details.

The balance of rupees 4,63,979, 2½ annas, above referred to, could alone be considered, in fact, as the transfer of an old debt.

We beg further to be permitted to call your attention to the notoriety, and to the circumstances which attended the negotiation of this loan.

We invited our commercial correspondents in Calcutta and Madras to engage with us in the transaction. We made a similar reference to the native bankers at this

place, with whom we had a commercial intercourse. Our proposition was declined by European houses of business, and was acceded to by the native bankers only, on our agreeing to a total change of the rates of dealings which had subsisted between us. They proposed to accommodate us with their funds, provided the former balances at their credit, in common with the advances then made to us, were held by us at sixteen per cent. per annum, instead of nine and twelve per cent. as formerly. As their funds were even thus invested on current accounts, they took advantage of our pecuniary embarrassments, and raised the interest on the bulk of their property, by repeated transfer, to twenty-one and twenty-four per cent., which was the general rate of interest allowed by us to them, till the advances from your Treasury enabled us to adjust their accounts in June and July last.

We hope it will be admitted, that had the loan been the transfer of an old account, we neither could have had the necessity, nor any purpose, in resorting to the market for money, when its immediate tendency was not only to subject us to a higher rate of interest, on what we then borrowed, but on all former balances.

We beg to submit to you, that about one-half of the amount of our loan, was thus borrowed, and, although in the occupation of the monied men of this place, it was held unprofitably by us on our exclusive responsibility, occasioning the necessity of a bonus to cover us eventually from loss.

Hyderabad,
19th August, 1823.

We have, &c.

W. PALMER and Co.

No. XXVI.

To Sir C. T. Metcalfe, Bart. Resident, &c. &c. &c.

SIR,

WE beg to be permitted to state to you that Umeen ool Moolk, who has engaged to make us certain annual payments in discharge of our claims on Shah Yar ool Moolk, appears disposed to evade the performance of his engagements to us, on the plea that Shah Yar ool Moolk has failed in the completion of certain conditions of the engagements which subsist between him, and Umeen ool Moolk, for the purpose of these payments being made to us. We beg to submit for your consideration that we have no concern, and we are in no way parties to their engagements, of which we have, in fact, no knowledge but from the verbal communications made to us by Umeen ool Moolk's vakeel; and that we have never understood those engagements to have been cancelled, but on the contrary were given to understand, about ten days ago, by Umeen ool Moolk's vakeel, that his principal did not deny our claims. We beg to say that we have relied exclusively upon his guarantee, which, as far as we are concerned, is in no way conditional; and we submit that it should be binding on Umeen ool Moolk, as it has superseded other measures, which might have been adopted for payment to us, and to which there can be no present recurrence without involving us in loss, inasmuch as threefourths, or nearly, of the payments for the present year, must be inevitably withheld from us. We hope that the Persian copy of his engagements with us, which we have the honour to enclose, will be found to exhibit, that Umeen ool Moolk is personally and unconditionally bound to us for the payments of the kists, for the period that he shall have held charge of Shah Yar ool Moolk's districts. We beg respectfully to request your attention to the circumstance, that the kist for Rujeeb has been overdue these four months, and the kist for Zeeaud is now also due. We have now only ventured on the liberty of soliciting your interference to obtain justice for us, on the failure of our repeated applications to Umeen ool Moolk for payment.

Page 747.

Hyderabad,
16th August, 1823.

We have, &c.
(Signed)

W. PALMER and Co.

To Messrs. William Palmer and Co.

GENTLEMEN,

WITH reference to your letter of the 16th instant, I beg you to have the goodness to inform me, whether or not the Nizam's Government has guaranteed the engagements entered into by Umeen ool oo lk?

I have, &c.

Hyderabad Residency,
20th August, 1823.

(Signed)

C. T. METCALFE,
Resident.

To Sir C. T. Metcalfe, Bart. Resident, &c. &c. &c.

SIR,

We have the honour to acknowledge the receipt of your letter of the 20th August.

We beg to submit to you, that we consider the Nizam's Government to have guaranteed the payments from Umeen ool Moolk, not only by the tenor of our original engagements made with the Minister to that effect, but from the circumstance of the engagements with Umeen ool Moolk having been formed under the express direction of the Minister.

We beg further to submit to you a copy of our engagements with the Minister, in which he accedes to our request, that in the event of a failure on the part of Shah Yar ool Moolk to perform the conditions of his agreement, that Naibs shall be appointed to his districts by the Minister, for stipulated payments to us, under his own immediate control; and we consider the engagements made with Umeen ool Moolk, with his concurrence and under his direction to stand in that relation.

Hyderabad,
23rd August, 1823.

We have, &c.
(Signed)

W. PALMER and Co.

(ENCLOSURE.)

Translation of a Representation addressed by Messrs. William Palmer and Co. to Rajah Chundoo Loll.

Page 749.

With the permission of (the Nizam's) Government, we entered into money transactions with the Nawaub Yar ool Moolk, under the condition that, if the Nawaub could not pay his debts according to his bonds, your Excellency would appoint Naibs on the part of Government to collect the rents of the whole of the Talooks, forming his Jaggeer, as below, and to pay the amount to us until the debt should be liquidated. We have accordingly before given in an engagement from the Nawaub Yar ool Moolk, to the above effect. We have now to express our hope, that in the event of the Nawaub failing to discharge our dues, the Government will be pleased to act in the manner specified; and also, that until the whole of the amount of our debt is liquidated, the Talooks specified below, may not be transferred to the possession of any other party.

LIST OF TALOOKS.

Tandore, Chitapore, Alpore, Syfabad, &c. Nundwar, &c. villages under charge of Nukkee Ali Khan, Nuzzeranah of Zemindars, and Nuzzur of Talooks, &c. Dated 27th Zeehijj, in the year 1235, Hejira.

ORDER BY THE MINISTER.

If the money is not duly paid, undoubtedly Naibs will be appointed, on the part of the Sircar, to collect the rents of the whole of the Talooks, and to pay the amount to the House, in liquidation of the debt. Also until the debt has been completely discharged, the Talooks shall not be assigned or transferred to any other party.

To Messrs. William Palmer and Co.

GENTLEMEN,

Page 832.

1. YOUR application on the subject of your claim against Umeen ool Moolk having been submitted to the Right Honourable the Governor General in Council, I have received his Lordship's commands thereon.

At page 827, and 828, of the Hyderabad Papers, in a letter FROM SIR C. T. METCALFE, dated the 15th November, 1823, to the British Government, will be found the following paragraph:—

2. "I am not surprised at their feeling a difficulty in regard to a resort to the Courts of this country, for I know OF NONE of sufficient respectability to warrant any reliance on their decision, and I am not aware that any possess authority over the class of persons against whom the largest demands of Messrs. Wm. Palmer and Co. are charged."

2. It is considered to be open to you to apply for redress to the tribunals of justice established at Hyderabad, and in the event of your being desirous to appeal from the decision of the Court of Justice to the Government of his Highness the Nizam, I am permitted, under the existing restrictions against your direct intercourse or communication with his Highness's Government, to transmit written representations from you to the Minister, and to receive and convey to you his reply, provided that the rate of interest charged in the account on which your claim be founded, do not exceed twelve per cent. per annum.

3. With respect to the special transaction between your Firm and Umeen ool Moolk, his Lordship does not consider it to be one which the British Government is in any way pledged to adjust.

Hyderabad Residency,
11th November, 1823.

(Signed)

I have, &c.

C. T. METCALFE, Resident.

(Signed)

C. T. METCALFE."

To Messrs. William Palmer and Co

GENTLEMEN,

1. HAVING submitted to the Right Honourable the Governor General in Council, a view of your situation with respect to the recovery of just demands under the existing restrictions against your intercourse with the Government of his Highness the Nizam, I have received the following commands:

2. I am authorised to transmit appeals from you to the Government, provided that no higher rates of interest than twelve per cent. be charged on the transactions to which they refer, and that you have in the first instance, applied for redress in the constituted courts of the country.

Hyderabad Residency,
11th November, 1823.

I have, &c.
(Signed) C. T. METCALFE, Resident.

To Messrs. William Palmer and Co.

GENTLEMEN,

1. YOUR accounts with Nawaub Mooneer ool Moolk, and your application regarding them having been submitted to the Right Honourable the Governor General in Council, I have received his Lordship's orders thereon.

2. I am permitted to forward those accounts to Mooneer ool Moolk, and to communicate to you his reply, provided that the rate of interest charged be reduced to twelve per cent.

3. I am directed to request of you an explanation of the charge against Mooneer ool Moolk, in the account of the old Concern No. 3, for 1813, stated to be an order in favour of Mr. Henry Russell, for rupees 30,000.

Hyderabad Residency,
12th November, 1823.

I have, &c.
(Signed) C. T. METCALFE, Resident.

To Sir Charles T. Metcalfe, Bart. Resident &c &c. &c.

SIR,

WE have the honour to acknowledge the receipt of your letter of the 11th instant, in reply to our application regarding our claims against Umeen ool Moolk.

We shall avail ourselves of the permission extended to us by the Supreme Government, and shall submit our claims with reference to our letter of the 14th instant, to the jurisdiction which you may be pleased to appoint out for adjustment.

We beg to submit to you a translation of the Persian contract, under the operation of which Umeen ool Moolk was distinctly appointed to the charge of Shah Yar ool Moolk's districts, by the nomination of the Minister, for the express purpose of making to us certain stipulated annual payments, and in default of which we consider the Minister, under submission, to be responsible to us.

We had the honour of submitting to you, copies of the original Persian engagements entered into with us by the Minister, Shah Yar ool Moolk, and Umeen ool Moolk.

Translation of "the Representation of Messrs. William Palmer and Co." to the Minister.

"With the permission of the Sircar, we have made a loan to Shah Yar ool Moolk, on the condition that, if the said Nawaub do not pay the money due to the House with punctuality, according to the terms of his written engagements, the Maharajah will appoint Naibs on the part of the Sircar, to the whole of the districts enumerated below, and will cause the whole of the collections from them to be paid to the House, till its claims shall be discharged; and to this effect a written engagement has been given by the said Nawaub, and deposited with the Sircar. We hope that, in default of punctuality, the Sircar will act conformably to the above made representation, and that (the collections) from the below mentioned districts, will not be in any way divested or alienated, till the claims of the House shall be adjusted."

" A STATEMENT OF THE DISTRICTS."

" Tandore Chitapore, Ullapore, Tyfabad, &c. Nundwar, &c. the villages in charge of Nunkhee Ali Khan, the Nuzzeranah of the Zemindars, and the Nuzzer of the Talooks, &c.

The following engagement is made in the Minister's own hand writing.

" In default of punctuality in payments, Naibs will certainly be appointed by the Sircar, to the whole of the districts, and their collections, till the settlement of the claims of the House, shall be paid to the House. On no account shall the collections of the districts be divested or alienated."

Hyderabad,
15th November, 1823.

We have, &c.
(Signed)

W. PALMER and Co.

To Messrs. William Palmer and Co.

GENTLEMEN,

1. I HAVE had the honour of receiving your letter of the 15th instant, regarding your claims against Umeen ool Moolk.

2. If it were in my power, and according to my duty to advocate those claims, I should be under the necessity of troubling you for more particular information on the subject of the engagements quoted in your letter; but this would now be useless, as whatever stipulations may have been agreed to by Rajah Chundoo Loll, they are not considered by the Right Honourable the Governor General in Council, as in any degree operative on the British Government.

Hyderabad Residency,
17th November, 1823.

I have, &c.
(Signed)

C. T. METCALFE,
Resident.

No. XXVIII.

To Lieutenant H. L. Barnett, Acting Resident, &c. &c. &c. Hyderabad.

SIR,

WE have the honour to state to you the following circumstances for your consideration.

1. We have immediate calls on us, for the payment of upwards of three lacs (300,000) of rupees, which we are totally unable to meet.

2. Our demands on his Highness, the Nizam's Government, and individuals in the city of Hyderabad, exceed forty lacs of rupees (4,000,000).

3. These loans were made under circumstances perfectly justifiable to ourselves, at the time of the advances to the respective parties, against whom our principal claims are now laid.

4. Since the orders of the Supreme Government, prohibiting our intercourse with the Ministers of his Highness the Nizam's, our claims on them, on Shah Yar ool Moolk, and on Umeen ool Moolk and others, have been addressed to the British Resident.

5. You are acquainted with the result, and we need not revert to the total failure of our representations.

6. Subsequent to this, our demands have been termed illegal, and denied admission.

7. Since the month of November, 1823, we have lived in the unheard of situation, of a banking and commercial establishment, existing without a possible appeal for justice to any quarter.

8. Should a sense of justice, induce our principal debtor to offer a voluntary payment of his debt, we have been told by the British Resident, that he is *directed to exert the influence of his Government against the measure.*

9. We are now reduced to the inevitable consequence of such a situation, unless speedily relieved by an interference on your part in our behalf.

10. We must declare ourselves Bankrupts.

11. We trust that the Supreme Government could not have anticipated a result so fatal to our Constituents, and to ourselves in the execution of their orders, and we earnestly beg that you will be pleased to extend a portion of the British influence in our favour, to save us from a wreck which we cannot otherwise avoid.

12. We subjoin a statement of our claims, the particulars of which have already been submitted to the British Resident.

Rajah Chundoo Loll	-	-	-	22,00,000
Mooneer ool Moolk	-	-	-	8,00,000
Shah Yar ool Moolk	-	-	-	7,00,000
Munsoon Khan	-	-	-	1,50,000
Noor ool Omrah	-	-	-	1,00,000
Sundry demands amounting to	-	-	-	1,00,000
				40,50,000

We have the honour to be,

Sir,

Hyderabad,
12th February, 1824.

Your most obedient humble servants,
W. PALMER and Co.

To Messrs. William Palmer and Co. Hyderabad.

GENTLEMEN,

1. I HAVE the honour to acknowledge the receipt of your letter of the 12th inst.
2. The enclosed extract of a dispatch from the Supreme Government under date the 5th of December, which I was on the point of forwarding to you when I received your letter, will shew you, that it is not in my power to interfere in any way for the purpose of procuring payment of the demands included in the statement transmitted by you.

I have the honour to be,

Gentlemen,

Hyderabad Residency,
13th February, 1824.

(Signed)

Your obedient servant,
H. L. BARNETT, Acting Resident.

Extract from a letter from Mr. Secretary Swinton, to Sir Charles T. Metcalfe, dated the 5th of December, 1823. Dispatch 15th November.

4. The dispatch noted in the margin, relates to your correspondence with Messrs. William Palmer and Co., on the subject of the existing restrictions on interest, and the difficulty which they experience in regard to a resort to the Judicial Courts of the country.

5. The Governor General in Council entirely approves the tenor of your reply to Messrs. William Palmer and Co.'s letter, and desires that you will apprise the House, that as stated by you, no demands, on their part, on which illegal interest is charged either prospectively or *retrospectively* can be permitted to be conveyed to the Government of his Highness the Nizam, through the channel of the British Resident.

Dispatch 16th November.

6. You will be pleased to intimate to the House of William Palmer and Co., that on the grounds stated in your letter to them of the 15th November, the British Government has no concern with the outstanding balances specified in their letter to you of the preceding day. The sentiments and resolutions of his Lordship in Council on two of the demands included in the statement submitted with their letter, namely the allowances to the Palmer family, and the bonus, have already been communicated by you to the House.

Dispatch 17th November.

7. Your several communications to the House of William Palmer and Co. of the resolutions and orders of Government conveyed in my letters of the 17th October last, are in strict conformity with your instructions.

8. The above remark equally applies to your letter to Messrs. Palmer and Co. on the subject of their claim against Umeen ool Moolk.

(Signed)

(a true extract)

H. L. BARNETT,

Acting Resident.

To Lieut. H. L. Barnett, Acting Resident, &c. &c. &c.

SIR,

Hyderabad.

WE have the honour to acknowledge the receipt of your letter of the 13th February, enclosing an extract of a dispatch from the Supreme Government, dated 5th December last.

2. We have delayed an earlier reply to your letter in the hopes of succeeding in a negotiation with the Soucars at this place for the relief of our immediate wants, as stated in our letter to you of the 12th February,

3. We have failed in our endeavours, and we feel it a bounden duty that we owe to our Constituents to appeal again to you.

4. We must repeat our hopes that the Right Honourable the Governor General in Council could not have anticipated so destructive a result as we have already laid before you as being the inevitable consequence of the execution of the orders of the Supreme Government.

5. We have been referred to the constituted courts of the country for redress.

6. To that in the city of Hyderabad we have appealed in vain, and we venture to bring to your consideration that the British Resident has himself expressed his doubts as to the competency of this court.

7. Situated as we are, *precluded by the orders of the British Government from direct intercourse with our principal debtors*, and denied a communication to them of our distresses, which we cannot but feel confident they would exert themselves to alleviate, and thereby point out to our minor debtors the necessity of their being just also; we could humbly ask in reply to the 5th paragraph of the Dispatch forwarded in your letter of the 13th instant, to whom are we to state our grievances, and to whom are we to look for their redress?

8. Should it not be in your power to afford us the assistance we require, we earnestly beg that you will have the kindness to state our distresses to the Right Honourable the Governor General in Council for his consideration.

Hyderabad,
18th February, 1824.

We have the honour to be,

Sir, your most obedient humble servants,
(Signed) W. PALMER and Co.

To Lieut. H. L. Barnett, Acting Resident, &c. &c. Hyderabad.

SIR,

WE have the honour to enclose a copy of a bond of Mahomed Idroos Khan Bahadoor, Arub, dated 17th Rubbee, ool. Awal last, for Rupees 18,1614 6½, which has been due since the end of Rubbee oo Sanee.

2. In compliance with the orders of the Supreme Government communicated to us by the Resident, we have appealed to the court in the city of Hyderabad for its assistance to realize our demand.

3. Our wants have not been redressed, and we regret the necessity that obliges us to trouble you on the present occasion.

4. We have received about nineteen thousand rupees of the amount of the Bond.

5. We shall be happy to attend to any suggestion you may be pleased to make, and to give you any further information you may require from us on the subject.

Hyderabad,
12th March, 1824.

We have the honour to be, &c.

(Signed) W. PALMER and Co.

To Sir C. T. Metcalfe, Bart. Resident, Camp.

SIR,

It is with extreme regret that we find it necessary to intrude on your attention, with the affairs of our establishment, but our situation is such as to preclude the possibility of any longer delay in so doing.

2. We earnestly intreat your consideration to the several letters we have been compelled to address to the Acting Resident, during your absence of the 12th, 18th, and 22d February, and 12th of March, which we trust will prove to you the critical situation in which we are placed.

3. We have now demands on us for four lacs of rupees which we are unable to meet unless we be relieved from our embarrassment by your kind assistance.

4. We cannot more strongly depict our distress than by repeating our solemn declaration, that we are on the verge of bankruptcy. Our ruin, and that of our numerous Constituents is inevitable unless assisted by your speedy interference, and we venture to hope that on a consideration of the circumstances we have stated, this indulgence will not be denied us.

Hyderabad,
30th March, 1824.

We have the honour to be, &c. &c.
(Signed) W. PALMER and Co.

To Messrs. William Palmer and Co.

GENTLEMEN,

1. I am favoured with your letter of the 30th ultimo.
2. I will examine the letters referred to in the second paragraph of your communications, when I obtain them from the Residency, and afterwards apprise you whether or not I can exercise any interference on the subject therein submitted.
3. It is not at present in my power to hold out any general hope of benefit from my interference. The greater portion of your alleged claims against Rajah Chundoo Loll are deemed inadmissible, and cannot be supported by me. The rest of your claims that have come under my notice, whether against that Minister, or other individuals, are founded on calculations at an illegal rate of interest, and for that reason cannot have any interposition in their favour. And generally with respect to your concerns, the British Government does not profess to grant you any support, and considers you alone as responsible to your constituents for the jeopardy in which their fortunes have been placed by your transactions. I hope that your apprehensions of ruin are exaggerated; but if there be any foundations for them now, how much more certain must your ruin have been if the British Government had not enabled the Nizam's Government to discharge nearly the whole of the debt contracted by Rajah Chundoo Loll. If you are now at a loss to meet demands for four lacs of rupees, what would have been your situation if you had not received the seventy or eighty lacs of rupees the Nizam's Government has paid through my hands? My knowledge of the state of the Nizam's affairs, enables me to affirm that you could never have received from his Highness's Government in any other way the principal of your demand, and that the payment of the interest thereon could not have been long continued.
4. At present, with respect to your letter of the 30th ultimo, I can only say that I do not suppose it to be in my power to render you any effectual assistance, but if on reference to your former communications to Lieutenant Barnett, and to my instructions from Government, I find it to be consistent with my duty to give you any support, it shall not be withheld; otherwise I must await the further orders of the Governor General in Council, to whose authority your several applications either have been or will be submitted.

Hyderabad Residence,
Camp Goompul,
1st April, 1824.

I have the honour to be, &c.
C. T. METCALFE.

To Sir C. T. Metcalfe, Bart.

SIR,

1. WE have the honour to acknowledge the receipt of your letter of the 1st inst.
2. We regret that the assistance we so anxiously looked for from you, cannot be immediately afforded to us; but we lament to say that our apprehensions of ruin are now on the point of being realized. Our situation is such, that we fear we shall be compelled to put our affairs in the hands of trustees, ere the final determination of the Supreme Government relative to them can be made known to us.
3. We shall be necessitated to take this step for our own vindication to our Constituents, and in so doing, we feel it an imperious duty we owe to those who have entrusted their property to our care, to reply particularly to that part of the third paragraph of your letter, where we are informed that the British Government considers us as alone responsible to our Constituents for the jeopardy in which their fortunes have been placed by our transactions.
4. With every deference to the will and pleasure of the Supreme Government, we humbly but most strongly beg to protest against this inference. Our pecuniary transactions in this city were not uncommon, and the benefits arising from the peculiar state of a native monied market, were not exclusively enjoyed by ourselves. We confidently assert, that our charges of interest on sums advanced to his Highness, the Nizam's Government, and to individuals in his territories, were lower than could have been procured from any other mercantile establishment; and our profits were not exorbitant, for our books will prove the rates at which we have ourselves borrowed money. The British Government have interfered so far in our transactions as forcibly to take from us, in two instances, the right (and we presume it is an established right) of a direct appeal from the creditor to his debtor, and it has even denied to us the possibility of any communication whatever of our distresses to the parties against whom our principal claims exist. We cannot tacitly surrender the balance of our demand against Rajah Chundoo Loll as exhibited by our statement. The well known situation of this Minister, identified him to us as the responsible authority of his Sovereign's Government; under these circumstances our advances were made to him, and we trust, that his repeated signatures to our accounts prove their validity.

Hyderabad,
6th April, 1824.

WILLIAM PALMER and Co.

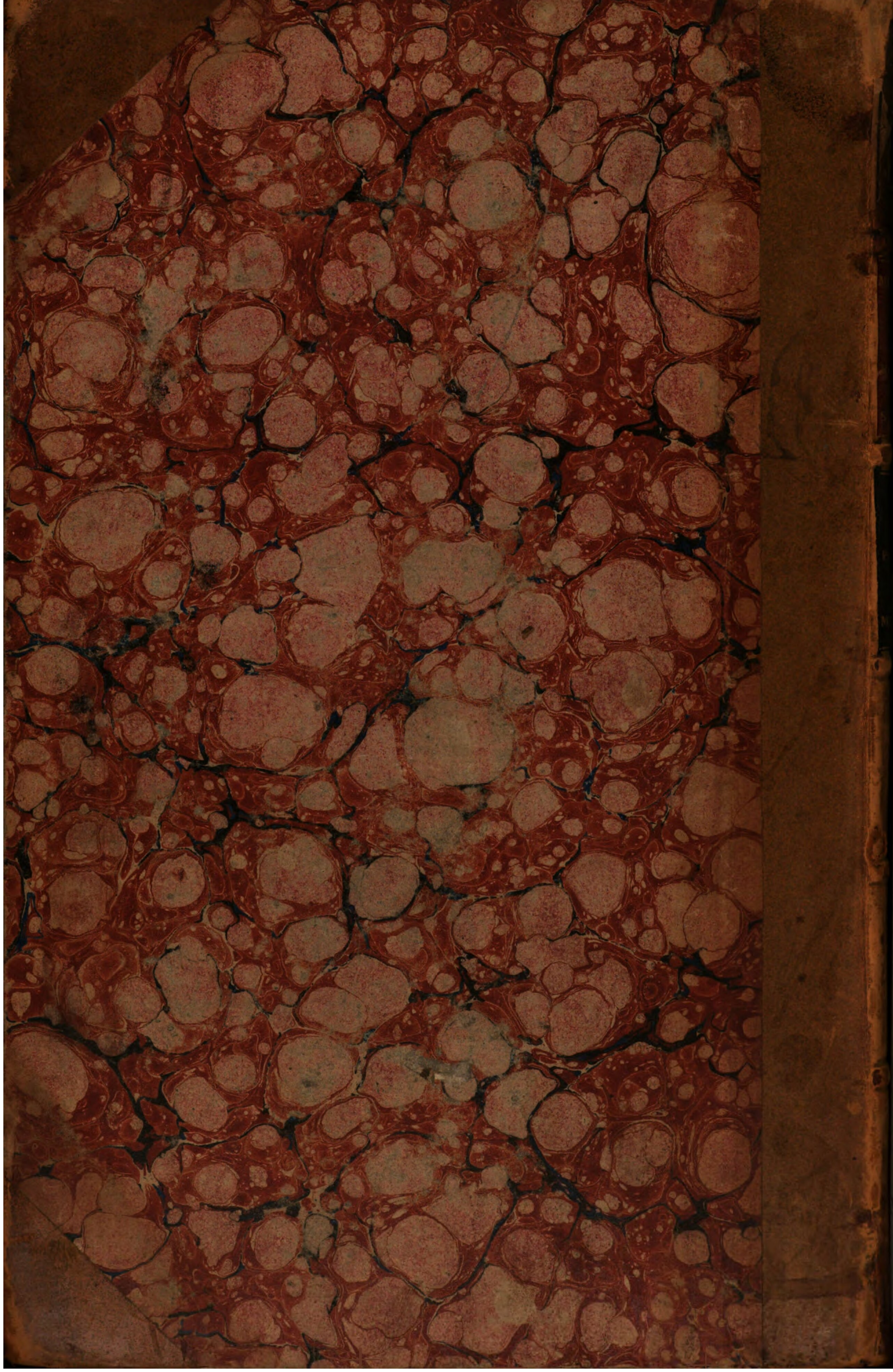
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...who have acted as our agents, that their conduct has not been
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Yours faithfully,
J. H. PALMER

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The Marquis of Hastings Summary of the operations in India with their
results ; from the 30 April 1814 to the 31 Jan. 1823

[London] 1824

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